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## Contesting big mining from Canada to Mozambique

By Judith Marshall

During a visit to Mozambique in September, I witnessed a protest against the Brazilian mining giant Vale. Villagers from Bagamoyo, adjacent to Vale's coal mine, were fighting the construction of a chain link fence through their community. The company claimed it was fencing off "unoccupied land" leased from the government. If a "trespasser" had an accident, Vale would be liable!

Chatting with community members, as they made their protest signs, it became abundantly clear that this "unoccupied" land was, in fact, the village commons. While their houses were in the village, for generations they had lived off land on the village outskirts and even used part of it as a cemetery. The Mozambican government had included this land in the leasehold with Vale for its mining operations without informing the Bagamoyo community.

Their farms and their mango trees were on this land. They raised their goats and cattle there. This land was a source of firewood and charcoal for cooking, thatch for roofing, sticks for making racks to dry cassava roots, and clay for building blocks. Vale had already bulldozed some of their kilns next to the clay deposits.

What has given big mining companies the power to grab land already under traditional communal usage—in Mozambique as around the globe? Why do governments of every stripe (dictatorial, liberal, socialist) baptize these extractive sector companies as "development partners," then abdicate any stewardship role over their country's natural resources and the rights and well-being of their own citizens?

\* \* \*

The power enjoyed by mining companies is one of the fruits of the neoliberal world order, which precipitated the privatization of access to natural resources in numerous countries. In the Global South, structural adjustment programs were the instrument of choice for downsizing government, widespread deregulation, and imparting the generalized acceptance of foreign direct investment as mandatory for economic development.

Countries found themselves in a debt trap when repayment terms for low interest loans from Northern financial institutions skyrocketed. They were forced to request International Monetary Fund and World Bank assistance with "conditionalities" if further credit was to be forthcoming. Forced devaluation,

*(Continued on page 20)*

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**EDITOR:** Stuart Trew

**EDITOR EMERITUS:** Ed Finn

**LAYOUT:** Susan Purtell

**EDITORIAL BOARD:** Bruce Campbell, Kerri-Anne Finn, Seth Klein, Kate McInturff, Erika Shaker

**CCPA NATIONAL OFFICE:**  
500-251 Bank St., Ottawa, ON K2P 1X3  
tel: 613-563-1341  
fax: 613-233-1458  
e-mail: [ccpa@policyalternatives.ca](mailto:ccpa@policyalternatives.ca)

**CCPA BC OFFICE:**  
1400-207 West Hastings St.,  
Vancouver, BC V6B 1H7  
tel: 604-801-5121  
fax: 604-801-5122  
e-mail: [ccpabc@policyalternatives.ca](mailto:ccpabc@policyalternatives.ca)

**CCPA MANITOBA OFFICE:**  
Unit 205 – 765 Main St.,  
Winnipeg, MB R2W 3N5  
tel: 204-927-3200  
fax: 204-927-3201  
e-mail: [ccpamb@policyalternatives.ca](mailto:ccpamb@policyalternatives.ca)

**CCPA NOVA SCOTIA OFFICE:**  
P.O. Box 8355, Halifax, NS B3K 5M1  
tel: 902-240-0926  
e-mail: [ccpans@policyalternatives.ca](mailto:ccpans@policyalternatives.ca)

**CCPA ONTARIO OFFICE:**  
10 Dundas Street East,  
P.O. Box 47129, Toronto, ON, M5B 0A1  
tel: 416-598-5985  
e-mail: [ccpaon@policyalternatives.ca](mailto:ccpaon@policyalternatives.ca)

**CCPA SASKATCHEWAN OFFICE:**  
2nd Floor, 2138 McIntyre Street  
Regina, SK S4P 2R7  
tel: 306-924-3372  
fax: 306-586-5177  
e-mail: [ccpasask@sasktel.net](mailto:ccpasask@sasktel.net)

**CCPA web site:**  
[www.policyalternatives.ca](http://www.policyalternatives.ca)  
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The CCPA reached an important milestone last month with the release of the 20th Alternative Federal Budget (AFB). Senior Economist David Macdonald and Senior Researcher Kate McInturff launched the AFB on March 19 (see page 5), highlighting its worrying prediction that shrinking oil prices, and nominal GDP growth of only 2.1%, will completely eliminate the federal government's projected \$2 billion surplus and the \$3 billion contingency fund. In other words, despite the mad rush to balance Ottawa's books (by cutting public services and transferring debt onto workers, the provinces and municipalities), next year's federal budget will be in deficit.

This is, of course, the least of our problems. With the low federal debt-to-GDP ratio there is room—an imperative even—to spend, and the AFB would incur modest deficits to induce an estimated \$36 billion in additional economic activity. The problem is the unwillingness of the Conservative government to entertain the idea of intervention, despite a growing consensus among economists of all persuasions that the federal government can, and should, give the economy a shot in the arm when it's sick. "We are releasing our alternative budget today because the federal government should not be missing in action with such dangerous winds blowing," said Macdonald.

Normally the AFB is tabled just ahead of the federal budget, to show how these "are quintessentially political documents that reflect the values and priorities of those who put them together," as CCPA Executive Director Bruce Campbell says in the introduction to AFB 2015 (see [www.policyalternatives.ca/afb2015](http://www.policyalternatives.ca/afb2015)). "Different values and priorities would yield different policy choices." Unfortunately, the federal government has been "delaying and praying for higher oil prices," according to Macdonald, hoping to present a surplus to voters ahead of an election. "Canadians need more than a zero," said McInturff at the launch of AFB 2015. "They need safe food, clean water, and affordable housing. The Alternative Federal Budget demonstrates that we can afford to meet those needs and deliver the good for all Canadians."


As in past years, the AFB lists new programs to fill public needs, while ending

tax loopholes we cannot afford anymore, like income splitting and the expansion of the Tax Free Savings Account (see Armine Yalnizyan on page 6). The former costs about \$2 billion annually but benefits only 15% of households, primarily those making more than \$200,000 a year. The AFB would put that money toward affordable regulated child care spaces instead—an important new program that would save parents of young children hundreds (and, in some cities, thousands) of dollars a month. The \$9 billion that would be put back into government coffers by returning the corporate income tax to 2006 levels would be likewise reinvested in a national pharmacare plan to bring down the high cost of prescription drugs.

We will expand on these and other elements of AFB 2015 in a special May-June issue of the *CCPA Monitor*. Regular readers will know the *Monitor* celebrated its own 20-year anniversary in 2014, and as of April 8 I've been its lucky editor for a year. It's a modest milestone, for sure, but an important one for me given the role the *Monitor* has played, and can play even more vigorously, to foster the widest possible debate on the economic, social and environmental issues that matter to us all. We—myself and the editorial board—have introduced a few changes over the course of Volume 21, like putting the magazine online, featuring a tonne of CCPA content, and making more use of illustrations, photos and graphs to bring stories to life.

I'm excited to let you know that starting next month the *Monitor* will be coming to you in full colour and with even more quality progressive research, analysis and commentary. Feedback from our first annual supporter survey last year suggests these will be popular improvements. As part of the transformation of the *Monitor*, we will also be publishing six times a year, starting with the May-June issue, so you can take your time with each one. I'll do a

proper walk through of the new *Monitor* next month, and the cover image here is not exactly what you'll see in the mailbox in early May. Until then, please enjoy this one last, beautiful, black and white issue. (Stuart Trew)

Send your comments and letters to [monitor@policyalternatives.ca](mailto:monitor@policyalternatives.ca). 



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# HENNESSY'S INDEX

## Political Divides

**62%** – Canadians who place themselves along the middle of the political spectrum, according to an Environics survey of public opinion.

**24%** – Canadians who self-identify as right-wing. This is 10 percentage points higher than those who saw themselves on the political right in 2010. They're more likely to be male, in the top income bracket and/or immigrants.

**14%** – Canadians who self-identify as left-wing. They're more likely to be under 30, university educated, and/or cite no religious affiliation.

**37%** – Canadians who "feel proud of living under the Canadian political system." The political right and Canadians over 60 are most likely to express pride.

**15%** – Canadians who express strong trust in Prime Minister Stephen Harper (33% express "clear distrust"). Support comes mainly from the political right, while only 12% in the political middle express strong trust.

**55%** – Canadians who say that they have a lot (16%) or some interest in politics (39%). Those who identify as right or left on the political spectrum are more likely to be interested in politics.

**76%** – Canadians on the political left who support the right to express political dissent, which is up eight percentage points since 2012. Only 35% of the political right support the right to dissent.

**30%** – Canadians on the political right who participated in civic action in the past year (28% of Canadians on the political left did so too). According to the Environics survey, there's less civic engagement in the Prairies.

**8%** – Canadians who participated in demonstrations or protest marches in the past year, up 5% since 2012. British Columbians, Canadians under 30, the university educated, and those on the political right and left are most likely to engage in this way.

**72%** – Canadians who say they follow the news on a daily basis. Quebecers and those on the political right are most likely to follow the news.

**31%** – Canadians who share political ideas and information on social media such as Twitter and Facebook (this number was 24% in 2012). Younger Canadians, university educated, and/or those politically aligned on the right or left are most likely to engage in political activity on social media.

**61%** – Canadians who say voting is a duty compared to 39% who say voting is a choice. There's a clear age divide on this question: Canadians over 60 tend to view voting as a duty while those under 30 tend to think of it as a choice.

**74%** – Canadians who are comfortable with the principle of a coalition government when no party wins a majority, which is up from 69% in 2012. Support has increased primarily among Conservative and NDP voters, but not among Liberal voters.

**48%** – Canadians who agree "the Canadian government should implement strong policies to reduce income inequality." Only 6% disagree with this statement. Support for active government policies is strongest in Atlantic Canada, Quebec, among low-income Canadians and those on the political left.

**Source:** AmericasBarometer: Canada 2014 (conducted by the Environics Institute and the Institute on Governance).

*Hennessy's Index is a monthly listing of numbers compiled by the CCPA's Trish Hennessy about Canada and its place in the world. For Hennessy's Indexes going back to February 2011, visit [www.policyalternatives.ca/index](http://www.policyalternatives.ca/index).*

## Canada knows how to manage its forests

Your February article, “Declining forest cover puts government management, industry plans in question,” misrepresents the strong environmental credentials of Canada’s forest products industry. For a start, Canada has 348 million hectares of forest land—less than 0.05 million hectares are harvested annually and all harvested trees are regrown. That means Canada has virtually zero deforestation—just 0.014% a year, and most of that is due to other activities, urban development, fires and recreation. Canada has 160 million hectares of independently certified forests: 43% of the global total, or more than four times more than any other country. Certification is a third-party assessment that a company follows progressive environmental and social forest management practices.

We are surprised that your article criticized the Pulp and Paper Green Transformation Program when it actually helped “green” pulp and paper mills, including improved air quality and reduced greenhouse gas emissions, while adding the production of enough electricity to power the city of Calgary. Using biomass from a renewable resource to produce bio-energy, bio-chemicals and other bio-materials can replace fossil fuels. The article also quotes critics of the use of dissolving pulp to produce rayon. Yet, again, this use replaces materials made from non-renewable fossil fuels or cotton, which, unlike forests, requires arable land and extensive inputs of fertilizers and irrigation. At the mills, the industry has cut greenhouse gas emissions by 70% since 1990, eliminated such toxins as PCBs and dioxins, and dramatically cut air and water pollution. Canada recycles almost 70% of its paper, among the top record in the world.

Still the forest product industry is pledging to do better yet. Under its Vision2020, the sector is aiming to further reduce its environmental footprint by another 35% by the end of the decade. The Canadian forest products industry also continues to work with environmental partners, including under the landmark Canadian Boreal Forest Agreement, to find ways to integrate environmental and economic values. The fact is a Yale University study recognized that Canada’s forestry regulations and laws are among the most stringent in the world. And we can all feel proud that a 2014 Leger study of international customers found that Canada’s forest products industry had the best environmental reputation in the world.

**Susan Murray**, Vice-President Public Relations, Forest Products Association of Canada.

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## Causes of democratic malaise

Congratulations for the outstanding articles by Ed Finn and Stephen Lewis (February 2015), both referring to the incipient fascism developing over the last several decades. The urgent need now is for insistent publicity to be given to three direct causes of this, and to the cures.

First, the constantly frustrating electoral system has

been sustained by decades of right-wing government determination to not change it. The alternatives must be loudly and persistently promoted, every day, in every speech and on every occasion, or it will be subdued and lost in a welter of policies on lesser matters—exactly as happened in the last B.C. election, where pipelines took precedence and electoral reform just faded away.

Second, the purchase of policy through large party donations has no place in any democracy. If personal support was legally limited to some small token sum, ample party funding could come from a \$5 fee on every tax return allocated by Elections Canada based on an agreed formula related to votes cast in the last election (Mel Hurtig’s casually dismissed idea from decades ago).

Third (and least understood publicly) was the total privatization of government debt 40 years ago through the abandonment of funding from our own Bank of Canada, whose interest flows back to government as dividends. Now no government can possibly discharge its debt without collapsing the economy. The accumulating interest charges (including the “off-budget” hidden P3 components) produce nothing but inflation, as new money must be created to pay the deficits (these being the sole purpose of privatized debt).

If we cannot choose the governments we want, if policies are bought by money, not votes, and if national debt is not taken back under national ownership, then the One Per Cent will finally be in total control. If the left-leaning parties can’t (or won’t) respond now, with passion, they deserve to vanish. Unfortunately, so will Canada—bought, stripped and sold for private profit.

**Russ Vinden**, Errington, B.C.

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## The love of reading

Ed Finn’s column in the March issue makes important points on the need to hold on to one’s reading skills and to try to encourage others to do the same. I have grandchildren who are great readers and I have some who are slow to realize the importance and beauty of reading. The latter, sadly, are boys and young men who sometimes seem to be addicted to computer games and “watching” TV. I have tried many times to emphasize how the digital revolution, in part, may lead to deskilling, especially in one’s ability to think and to conceptualize. In contrast to that possibility, in my opinion, reading is absolutely essential to be a thinking, knowing subject, not an object or observer only with respect to politics and life in general.

As an educator with 37 years of experience, a life-long learner, a parent and grandparent, I realize why reading is absolutely essential. Without the love of reading and the ability to think, one becomes an object to be manipulated and used/abused. We have to do as much as we can to continue to develop and retain our reading ability and to encourage others to develop this way to live. With this love of reading, in which we become and remain engaged people, we can affect needed change, in ourselves and others, for the betterment of our fragile world.

**Joe Grogan**, Bolton, Ont.



### AFB predicts federal deficit, calls for stimulus to boost growth

The CCPA released the 2015 **Alternative Federal Budget (AFB)**, *Delivering the Good*, on March 19, marking the 20th anniversary of a project that brings together leading Canadian economists and sectoral experts to produce a progressive (and fully costed) economic plan. This year's AFB shows how Ottawa's continued obsession with austerity and balancing the budget has come at the cost of higher household debt, fewer services and weakened job growth.

"The drop in oil prices has now eliminated the federal government's surplus and contingency fund for next year," said **CCPA Senior Economist David Macdonald** (pictured) at a press conference on Parliament Hill. "Governments should be helping citizens during these uncertain times by pushing against weak growth, not cutting access to services."

The 2015 AFB would lift 893,000 Canadians out of poverty, reduce income inequality, boost economic growth and create or sustain 300,000 jobs a year, bringing Canada's employment rate back to its pre-recession level. New this year, the AFB measures the distributional impact of its fiscal and tax policies—a tool the CCPA hopes provincial and federal governments will build into their annual budgets in future.

"The Alternative Federal Budget demonstrates that we can afford to make different choices," said **CCPA Senior Researcher Kate McInturff** (pictured) at the March 18 launch. "The AFB would ensure that every community has safe drinking water, affordable housing, and effective infrastructure. Our budget would provide affordable child care for working parents, and access to necessary prescription drugs and dental care for those who can't afford it."

The May–June issue of the *CCPA Monitor* will include an in-depth look at the 2015 AFB, with special features on its proposals for immigration, employment, and First Nations–federal relations. Speaking of budgets, you'll also find a report by **CCPA–ON Economist Kaylie Tiessen** titled *Fixing Ontario's Revenue*



*Problem*, released ahead of the provincial budget, at [www.policyalternatives.ca](http://www.policyalternatives.ca).

### Saskatchewan's sustainable future


A new report from the **CCPA–SK** questions the long-term environmental sustainability of many elements of Saskatchewan's economic growth strategy. *Building an Environmentally Sustainable Future for Saskatchewan*, by **Peter Prebble, David Henry, Murray Hidlebaugh and William Wardell**, identifies 30 policy changes that would improve the province's disappointing environmental record. Saskatchewan's goal should be to stabilize atmospheric concentrations of carbon dioxide, nitrous oxide and methane within the next half-century, which can only be achieved if the anthropogenic emission sources of these greenhouse gases are virtually eliminated. The report argues the Saskatchewan government should phase out both the production and consumption of fossil fuels, and build an environmentally sustainable energy future as the best way to secure well-being for today's young people and future generations.

### Monitoring the C-51 hearings

Public attention in Canada is appropriately focused on proposed omnibus security legislation (Bill C-51) that, from most expert accounts, appears

to unnecessarily weaken privacy protections and threaten civil liberties to give Canada's spy agencies, the Canadian Security Intelligence Service and the RCMP in particular, new powers of preventative arrest and the ability to disrupt potential terrorist activities (through illegal means if a court warrant will allow it). The government had wanted to rush C-51 through Parliament, but public and parliamentary opposition forced the government to hold nine committee hearings (rather than the three they originally proposed). Those hearings began in early March and continue into April.

Though the CCPA does not have a full-time security expert on staff, we wanted to contribute to the important debate on C-51, and decided that a compendium of the parliamentary committee hearings—testimony presented and the responses of government and opposition MPs—could be useful to the public. You will find several blog entries on the C-51 hearings by **CCPA Monitor Editor Stuart Trew** at [www.behindthenumbers.ca](http://www.behindthenumbers.ca). See pages 16–19 of this issue for more on the legislation.

For more blogs, reports, commentary and infographics from the CCPA's national and provincial offices, visit [www.policyalternatives.ca](http://www.policyalternatives.ca). Join the conversation on Facebook (search for Canadian Centre for Policy Alternatives), and on Twitter by following @ccpa. 



## TFSA's are more risk than reward

By Armine Yalnizyan

The Harper government gives five reasons why Canadians ought to be happy with its proposal to double the maximum contribution to the Tax Free Savings Account (TFSA). Examine each of its points more closely, however, and it's clear that the TFSA carries far higher risks than rewards—for individuals as well as for the economy as a whole.

Let's unpack the government's arguments one by one.

### 1. The TFSA helps people save

The evidence certainly doesn't support this statement. TFSA's first saw the light of day in January 2009 at a time when the savings rate had already been climbing for four years. It has been highly variable since 2009, and has dropped since 2013—the same year, by the way, the maximum contribution was raised from \$5,000 to \$5,500.

Economists consistently find the main determinant of household saving is not tax rates but interest rates: the higher they go, the more motivated people are to take advantage of them. But there's no escaping the cold reality that people can't add to their savings if they don't have enough income to save. The fact is that hourly wages (adjusted for inflation) for most Canadians have been going nowhere in recent years. These trends suggest the TFSA does not measurably impact savings rates; it measurably rewards the privileged few that are able to save.

### 2. The TFSA is wildly popular

Despite the heraldry of government and bank marketing campaigns, only 36% of eligible Canadians have opened a TFSA. An even smaller proportion of Canadian households participate in the program. Roughly 26.7 million Canadian residents were eligible to contribute to a TFSA in 2012. Yet only about 9.6 million had opened a TFSA account, some more than one, which explains the 11 million figure in government statements. Those are accounts, not people.

While the number of TFSA account holders has risen over time, the pace of growth is slowing. However, the number of Canadians who have been able to "max out" their contribution room has been falling every year since TFSA's were introduced, in absolute and relative terms. (The maximum allowable amount is currently \$5,500 a year, and a cumulative \$36,000 since the inception of the program.) Only 2.3 million people (8% of eligible Canadians) have maximized their TFSA contributions during the first four years of the program.

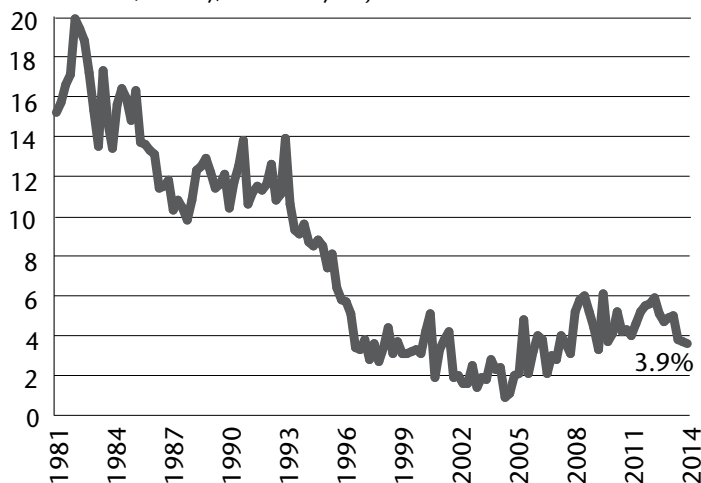
Without doubt, more people have opened a TFSA since 2012. The Canada Revenue Agency will release data on 2013 contributions later this year. But even with the addition of another year—or two, or three—nowhere near the majority of Canadians has derived any benefit from this tax shelter.

### 3. The TFSA benefits young Canadians

Again, data show young Canadians aren't the primary

## Household savings rates, Canada, 1981 to Q3 2014

Quarterly, seasonally adjusted at annual rates



Source: Armine Yalnizyan, Canadian Centre for Policy Alternatives, from Statistics Canada CANSIM 380-0072

beneficiaries of this program. The rate of increase in participation since the program's inception has risen most rapidly among the under-35 age group. But we should not confuse a rate of increase with actual numbers. TFSA's are much more popular among older Canadians. The reason is simple: older people derive the biggest benefit from the program, using it as a way to top up retirement savings after bumping up against their RRSP limits.

### 4. The TFSA helps low-income Canadians

At least part of the program's original intent was to encourage saving among Canadians who could not reasonably expect to benefit from an RRSP. Furthermore, tax forms don't include income from a TFSA, so it isn't included in eligibility tests for public income security programs. That increases the numbers eligible, and reduces claw-backs that apply as taxable income rises.

As things turned out, those who benefit most from a TFSA are more likely to be rich than poor, and low-income Canadians are less likely to hold a TFSA than higher-income Canadians.

The TFSA is similar to a U.S. tax-shelter scheme known as the Roth IRA (Individual Retirement Arrangement), but that program excludes participation by tax filers with high incomes (above US\$129,000 for singles and US\$191,000 for joint filers). Former president George W. Bush tried three times (2003, 2004 and 2005) to introduce a program without these income restrictions (like the Canadian model), but Congress rejected the plan each time on the grounds it would disproportionately benefit the wealthy.

Recent studies by the Parliamentary Budget Officer and Professor Rhys Kesselman—an award-winning economist and tax expert at Simon Fraser University who, with Finn Poschmann, helped introduce the TFSA idea to Canada—point to another serious shortcoming. They estimate that,

without any change to the rules, the TFSA will add an extra \$4 billion in costs to the Guaranteed Income Supplement, the income security program of last recourse for impoverished seniors. This is because the program does not count incomes that flow from TFSAs in their eligibility test.

That \$4 billion eats a big chunk of the \$10.8 billion in expenditure reductions that will be realized by rolling back eligibility for Old Age Security by two years, from age 65 to 67. The OAS changes are not pure “savings.” They shift financial costs to Canadian households and to provincial budgets.

About 35% of Canadians have retired early because of ill health, disability or the need to care for family members. Pushing back income support to age 67 means many will have to work longer, which will saddle households with extra costs to care for young children, the elderly and the unwell. Some of these 65- and 66-year-olds who cannot work more will be left with no choice but to exhaust their savings and possibly turn to welfare. That, in turn, will put a bigger fiscal burden on the provinces.

The combined effect of the OAS and TFSA measures gives one group of wealthy elderly Canadians more cash in their pockets, while taking cash out of the pockets of some of our most vulnerable seniors.

## 5. The TFSA puts money back in our pockets

While a bigger tax-free savings account will put more cash in some people’s pockets, that money can’t buy functioning infrastructure and liveable communities. Think of the TFSA like a Contact C™ policy measure, creating a time-release fiscal headache as it develops. Choices between cutting services or raising taxes will become increasingly stark because the amounts at play are very large.

Kesselman estimates if the TFSA program had been fully mature today, meaning it had been around for a generation of savers, it would have taken a \$15.5-billion bite out of federal revenues this year—which are roughly \$145 billion—and another \$9 billion out of provincial coffers. The government’s

promise to double contribution limits would cost another \$14.7 billion for the feds and \$7.6 for the provinces by 2060. Whether you see that as a promise or a threat, it’s a hefty price to pay for a scheme that would benefit only 8% of Canadians today, a group that will shrink over time.

The higher TFSA contribution limit will cost us seven times as much as the government’s much-criticized income splitting program, while benefiting fewer than half the number of people. (Only 15% of Canadian households, the vast majority of them wealthy, will see any benefit from income splitting. That program now bears a price tag of \$1.9 billion, nestled in a “family tax cut” package that will cost \$5.5 billion this year.) As Kesselman put it, “If one were to rank between two nasties, the proposal to double TFSA limits is by far the nastier.”

## Solutions within reach

Billed as a populist measure that’s good for everyone, the proposed increase in TFSA contribution limits will primarily benefit Canadians with incomes over \$200,000. They’re the only ones constrained by current RRSP and TFSA contribution limits. There is no public clamour to increase limits. It is purely a measure that pampers the fabled One Per Cent.

Yet the program also helps lower-income Canadians who are able to save. It shouldn’t be scrapped. It should be fixed. Some simple, and fairer, solutions are within reach.

One option is to put a lifetime limit on TFSA contributions, say \$150,000. That figure represents roughly 25 years of contributions at the current annual maximum of \$5,500, which would be more than adequate for most Canadians. Then place a lifetime tax-exempt limit of \$450,000 on each TFSA holder, which would allow for a three-fold gain in value. That ceiling is 46 times higher than the median financial assets of Canadian households in 2012.

Finally, since TFSA incomes are not counted in considerations of income support eligibility, minimize the scope for tax dodges by setting a hard-and-fast income threshold at which OAS benefits are clawed back (\$72,809 in 2015). This number would apply to the

“total income” line of the tax return rather than the more malleable “taxable income” line, as is presently the case.

The bottom line is that the government needs to apply more brake, less accelerator on TFSAs. If not, it risks steering us all into a fiscal ditch from which we will not easily escape. Let us hope that is not the very point.

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*Armine Yalnizyan is a senior economist at the Canadian Centre for Policy Alternatives. You can follow her on twitter @ArmineYalnizyan. An abridged version of this article was published in The Hill Times.*

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## Alberta has nation’s largest gender gap (and it’s growing)

*By Kathleen Lahey and Ian Hussey*

In 1995, Canada made historic commitments to implement gender equality in all policies, programs and laws when it adopted the Beijing Declaration and Platform for Action. That same year saw the adoption by the federal government of a plan to secure gender equality in all aspects of social, political, legal and economic life in Canada.

A new Parkland Institute report demonstrates that women in Alberta, who were early leaders in moving toward greater sex equality, had already begun losing ground relative to men for some years by the time these commitments were made in the mid-1990s. In fact, the gender wage gap in Alberta is the largest in Canada. Women’s average total income in Alberta is just 58% of men’s, and women’s full-time, full-year earnings are dramatically lower in Alberta than in other provinces, at only 63% of men’s compared to 80% in Saskatchewan, 75% in Quebec and 74% in Ontario.

Women in Alberta perform an average of 35 hours of unpaid work each week—a disproportionate responsibility compared to men in Alberta (17 hours) and to women in other provinces (26 hours in Quebec, 32 in Ontario) or the national average (32 hours). This unpaid work burden compels many women in Alberta to seek part-time, flexible work arrangements, and a lack of affordable

child care spaces in the province is an additional barrier to women's participation in the paid workforce.

A shift in taxation policy at both the federal and provincial levels, from "taxing for equity" to "taxing for growth," began in the late 1980s. A series of cuts and other changes to taxation resulted in a flattening of the progressive system of taxes in Canada, and shifted the tax burden to those who could least afford to pay. At both the federal and provincial levels, low-income taxpayers experienced significantly large tax increases, while high-income taxpayers received tax cuts.

The Alberta government restructured its entire tax regime beginning in 2000, replacing graduated personal and corporate income taxes with a single 10% rate for all but small business corporations. This policy of "detaxation," a type of tax cut designed to permanently restructure the provincial revenue system, made the provincial treasury more dependent on volatile non-renewable resource revenues.

Detaxation in Alberta has especially adversely affected women, shifting disproportionate amounts of the province's annual tax share to women and low-income men in order to fund tax breaks for corporations and high-income individuals. In the process, Alberta has significantly reduced the level of progressivity in its taxation system. As a result, women in Alberta have continued to lose economic ground to men.

There are numerous alternative tax systems that could be implemented—especially in light of the current budgetary concerns resulting from the low price of oil—to reverse these trends and bring greater progressivity and gender equity to the tax system in Alberta.

Cuts in corporate income tax rates to 10% for general businesses and 3% for small businesses have resulted in a loss of provincial revenue from corporate taxation of over \$28 billion since 2001. Because of the corporate ownership structure in Alberta, the benefits of these corporate tax cuts have disproportionately gone to men in Alberta. Increasing the corporate tax rate would add \$1 billion in revenue for each percentage point increase, and would provide the resources necessary to implement programs that could begin to reverse the deterioration of women's economic position in Alberta.

The option of increased sales, commodity and services taxes would exacerbate the inequities of the Alberta taxation system because these taxes are regressive, to varying degrees, and less gender equitable than other available options. In a province that has seen the economic status of women deteriorate more severely than in any other jurisdiction in the country, introducing a new provincial sales tax would be a step in the wrong direction.

The budgetary reliance on the ongoing sale of non-renewable resource assets to compensate for the lack of adequate provincial tax revenues has left crucial social programs underfunded and vulnerable to market swings in volatile oil prices.

There are alternatives that have the potential to stabilize annual provincial revenues and to reverse the trend of greater gender inequality in Alberta, including the addition of new multi-bracket graduated personal income tax rates, enhancing low-income supports for women's paid work, increasing corporate tax rates for general business corporations,

increasing resource royalty rates, using the Alberta Heritage Savings Trust Fund to collect and manage non-renewable resource revenues, and establishing an effective provincial ministry charged with eliminating all forms of gender discrimination in Alberta. These changes could add as much as \$1.6 billion to annual revenues—money the province needs to fill the gap left by declining oil prices.

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*Kathleen Lahey is a professor and Queen's National Scholar in the faculty of law at Queen's University, specializing in issues concerning women and taxation, gender analysis, and poverty. Ian Hussey is Research Manager at the Parkland Institute, an Alberta-wide, non-partisan research centre situated within the faculty of arts at the University of Alberta.*

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## **B.C. minimum wage increase leaves workers in poverty**

*By Iglia Ivanova*

**A**fter close to three years of stasis, the B.C. minimum wage was overdue for an increase. But the measly raise announced March 12 falls far short of what is necessary. The 20-cent-per-hour increase, scheduled to come into effect September 15, amounts to a raise of just under 2% over more than three years. A \$10.45 minimum wage will leave the workers who earn it thousands of dollars below the poverty line even if they work full time all year.

Take a look at the numbers.

A worker getting paid \$10.45 per hour, working 35 hours per week for the full year, would earn \$19,019. Note that with the minimum wage increase only kicking in mid-September, this is slightly more than a minimum wage employee would actually earn, but I wanted to keep the calculation simpler. An annual income of \$19,019 is below the poverty line for a single individual with no dependents in all but rural areas. For reference, only 12% of B.C.'s population lived in rural areas in 2014.

In Metro Vancouver, a worker struggling to get by on minimum wage will be almost \$5,500 below the poverty line this year. For a single parent with one child, the gap between the minimum wage income and the poverty line would be over \$11,000. About 53% of B.C.'s population lives in Metro Vancouver, according to BC Stats.

In one of the province's bigger cities (e.g., Victoria, Abbotsford, Kelowna, Kamloops, Nanaimo, Prince George, etc.), a full-time, full-year minimum wage worker would be about \$2,000 below the poverty line. In small towns with populations under 30,000 (e.g., Cranbrook, Powell River, Port Alberni, Williams Lake), a full-time, full-year minimum wage worker won't clear the poverty line.

Even with this measly 20-cent increase to minimum wage, B.C.'s lowest-paid workers have lost ground since 2012, when the gap between the poverty line and a full-time minimum wage income was just shy of \$5,000 for a single person living in Metro Vancouver.

The last time B.C. had a debate on the minimum wage, in 2011, the CCPA-BC argued the provincial government should develop a clear rationale for how the amount is



## Significant gap remains between BC's \$10.45 minimum wage and the poverty line

	Urban			Rural	
	Metro Vancouver	Cities with population 100,000 to 499,999	Towns with population 30,000 to 99,999	Less than 30,000 people	Rural areas
LICO-BT, 2015*	\$24,460	\$21,066	\$20,936	\$19,157	\$16,838
Minimum wage FT earnings (35h/week)	\$19,019	\$19,019	\$19,019	\$19,019	\$19,019
Dollars above the poverty line	-\$5,441	-\$2,047	-\$1,917	-\$138	\$2,181

\* Calculated from Statistics Canada's published LICO-BT (low income cut-off before tax) for 2013, adjusting for 2% inflation in 2014 (official Statistics Canada figure) and assuming only 0.5% inflation in 2015.

determined then stick to it. We still have not moved past setting the minimum wage arbitrarily.

It's time to step back and ask: what is the minimum wage for? Then it can be set appropriately to meet these goals. Poverty reduction is one rationale that makes a lot of sense.

We propose that a single person working full time, all year, should earn (at least) enough to live above the poverty line. The idea that someone working full time, full year should be able to get out of poverty is a clear, transparent policy decision that should determine the minimum wage in B.C. and in other provinces. Equally important is to legislate regularly scheduled increases tied to inflation, to ensure low-wage workers do not face what amounts to a pay cut as a result of rising prices.

*Iglia Ivanova is a senior economist and public interest researcher with the CCPA-BC. Follow her on Twitter @iglikaiivanova.*

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### RRSPs versus pensions


By David Macdonald

Your golden years may be farther off than you think. Canada has the highest equity mutual fund fees in the world. In fact, they're so high that in order to offset those fees, the average mutual fund investor will have to work until age 72 to match what a pension plan holder will make by age 65, even with identical contributions.

A retirement system requiring high fees and delayed retirement is not a foregone conclusion. There are plenty of viable alternatives available to policy-


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makers that would improve the system for all Canadians. Read more in our report, *The Feeling's Not Mutual: The*

*High Costs of Canada's Mutual Fund Based Retirement System*, at [www.policyalternatives.ca](http://www.policyalternatives.ca). 

## Countering Islamic State: A failing strategy

By Peggy Mason

The U.S.-led air campaign being waged in Iraq and Syria against Islamic State features a cast of regional allies, including Saudi Arabia, Egypt and the United Arab Emirates, whose repressive governance, gross human rights abuses and stifling of political dissent fuel the very terrorism the West says it is fighting. The current military campaign is a recipe for a long conflict and further regional destabilization, the very conditions in which violent extremists like Islamic State thrive and grow. What we need instead is a comprehensive political strategy, with regional Arab allies at the core of a solution, that privileges rule of law and governments in the Middle East that have legitimacy in the eyes of their people.

To date Western military action has been disastrously counterproductive. Prime Minister Harper says we are not responsible for the chaos in Libya. Yet it is absolutely clear that our military victory in Libya was a pyrrhic one that paved the way for a civil war that rages to this day. We armed ISIL fighters in Libya in their fight against Gadhafi, and, when the president fell, they got the mountains of weapons released from his arsenal—weapons that helped destabilize not only Libya but the broader sub-region including Mali. We armed ISIL fighters opposing the government of Syria until we realized they were more dangerous than the Assad regime. Now the West is bombing ISIL in Syria, leaving Assad free to bomb our allies, the so-called “moderate” opposition.

While Iran is fighting *with* Assad in Syria (and therefore *against* the forces the West backs), the main ground force countering ISIL in Iraq today—all the rhetoric about the Kurdish Peshmerga fighters notwithstanding—is the Iranian-backed Shia militias, necessitating de facto military co-ordination between the USA and Iran.

Does this sound like a winning strategy?

We have to constantly remind ourselves how we got to this point. The West chose war over negotiations. Had NATO not exceeded its UN mandate in Libya (which did not authorize regime change), a power-sharing deal could have been negotiated with Gadhafi, which would have facilitated incremental democratic reform under international supervision, and not left a power vacuum to be filled by violent jihadists including ISIL. And despite Harper’s cavalier denials of responsibility, we now know that Department of National Defence intelligence officers warned his government that a Western bombing campaign against Gadhafi forces could play into the hands of extremists and lead to a lengthy civil war. Journalist David Pugliese reports that some military officers even began to privately joke that Canada’s CF-18’s were part of “al-Qaida’s air force,” but the government was not listening.

Exactly the same argument can be made for Syria. Had the West not insisted on regime change and refused to allow Iran a seat at the table (in deference to regional rival Saudi Arabia), Kofi Annan’s peace plan might have had a chance to take root. Canada’s largely rhetorical contribution to this

effort was to help undermine the chances of success by siding with Saudi Arabia, which at the time was actively funding ISIL and opposing Iran’s participation.

So the West, in effect, offered Gadhafi and Assad, in turn, a choice between surrendering or fighting. Rather predictably, they each chose the latter, with utterly devastating consequences for their respective countries.

### More than a military organization

As security experts like Paul Rogers of Bradford University in the U.K. and journalist and author Loretta Napoleoni have repeatedly emphasized, ISIL is not just a military organization. It governs the huge areas it controls in Iraq and Syria, providing basic services and collecting taxes. It is organized and coherent, with a well-developed ideology, however abhorrent to the West. The core is made up of seasoned fighters and an extremely motivated leadership with origins in the “dirty war” waged by the U.S. and British Special Forces in Iraq between 2006 and 2009. They survived intense air attacks and relentless special forces operations in Iraq for years.

In early February of this year, Western publics and their governments were rightly outraged by the horrific burning, then burying in asphalt, of a Jordanian pilot captured by ISIL in late December. Yet, it clearly was meant to mirror the grisly and almost certainly illegal “shake and bake” tactics of U.S. forces in Fallujah and other cities, where white phosphorus was used to burn up Iraqi fighters driven into tunnels by the relentless bombing. The orange jumpsuits of hostages held by Islamic State echo another part of the experience of these fighters and their leader, Abu Bakr-al-Baghdadi—their detention in Camp Bucca or another of the black sites run by the United States in Iraq and the region, the squalid conditions of which were veritable breeding grounds for radicalization.

Central to the Islamic State ideology is the belief that the West is out to humiliate and destroy Islam. Western military intervention validates ISIL’s role as would-be saviour of Islam from the “Christian-Zionist” crusade. Incursions, whether ground- or air-based or both, into Afghanistan, Iraq, Yemen, Pakistan, Somalia, Libya, Mali, Syria and Iraq once again, together with the failure to take any meaningful steps to staunch the open wound that is Gaza and the Occupied Territories, provide ample evidence for the Islamic State narrative of malevolent Western intentions.

Using extremely sophisticated social media tools and psychological techniques, they are instilling fear simultaneously in opponents and subjugated populations, titillating with video images of sadism and violence and promulgating a potent message of a new “Caliphate” to disaffected Muslim youth all over the world. Canadians, with our own “souverainiste” history in Quebec, should recognize the appeal that a political philosophy promising “*maître chez nous*” can engender.

ISIL capitalizes on local grievances to gain local support.



A Canadian Armed Forces CF-188 fighter jet takes off from Kuwait on the first combat mission over Iraq in support of Operation IMPACT, October 2014.

(Photo: Canadian Forces Combat Camera)

The key to neutralizing its appeal is to begin to effectively address this huge array of legitimate political injustices and marginalization that ISIL so effectively exploits to get and maintain support. Sunnis, who make up 20% of the Iraqi population, were systematically victimized by the Western-supported, viciously sectarian Nouri al-Maliki regime in Iraq between 2006 and his departure in late 2014, and many are now supporting ISIL. For these Sunnis, Islamic State is a lesser evil than the Iranian-backed Shia militias, who see their role not so much in terms of fighting for Iraq as in defending their own long-persecuted Shiite sect.

The unity government now in place in Baghdad has a very long way to go to repair these deep sectarian rifts. Perhaps the best example of this dilemma (and the shortsightedness of a military focus that gets ahead of the politics) is the major Iraqi offensive now underway to push Islamic State out of Tikrit, the birthplace of Saddam Hussein in the Sunni heartland.

So concerned are the Americans about the prominent role of Iran in this military action—with leadership from experienced Iranian commanders and troops composed of mainly Shia militiamen—that the operation is proceeding *without* U.S. air support. There are huge fears that atrocities

will be committed against the civilian population of Tikrit, as has happened in the past in other areas captured from ISIL. The danger is immense of achieving, at best, a tactical military victory, which further deepens the sectarian cleavages, drives more Sunnis into the ranks of ISIL, and further undermines basic security for ordinary Iraqis.

### What should Canada do?

Our military contribution to the U.S.-led anti-ISIL coalition, up for renewal in early April, is symbolic at best. This is so despite a very real risk to the 69 Canadian special forces advisors who are “forward deployed” in Northern Iraq and directly engaged in ground combat targeting activities, despite their parliamentary-approved *non-combat* training mission.

For a government that has turned most serious foreign policy issues into props for pandering to specific voting constituencies, no matter what the cost to the merits of the issue, this is almost the perfect war. It features bloodthirsty bad guys, a reasonably low cost (if only because Canada is dropping so few bombs)—the costs can be completely hidden anyway for “operational security” reasons until the election is safely over—and just enough risk of casualties to keep the “support the troops” mantra in play.

Oh, what a lovely war.

But if the Harper government actually wanted to do something meaningful, it would make a concerted effort to support what actually appeared to be U.S. President Obama’s preferred strategy (before the shrewdly calculated ISIL beheadings of American journalists forced his hand): “no American *military* solutions in Iraq; only Iraqi *political* solutions.” The same holds true in equal measure for Libya and Syria, the latter entering the fifth year of a civil war that a new UN report says has plunged 50% of the Syrian population into poverty and reduced the life expectancy by 20 years.


Canada could help find those urgently needed political solutions by getting fully behind the UN-led negotiations in Libya and Syria and by urging other NATO members to do the same. The Americans are apparently now backing Libyan talks but remain curiously ambivalent about the Syrian negotiations, almost as if they feared a solution being found where they were not playing a central role.

Canada’s latest contribution to Syrian peace talks was the announcement on January 21 by then foreign minister John Baird that Canada would not attend a high-level meeting, chaired by his Norwegian counterpart, on the future of Syria at the World Economic Forum in Davos, Switzerland—a meeting that included Iran. Happily for those championing a peace deal for Syria, the presence of Iran at the table is far more important than the absence of Canada.

Jason Kenney gave his inaugural speech as the new Minister of Defence on February 19 at the Conference of Defence Associations Institute 2015 Ottawa Conference on Security and Defence. In his closing comment (after remarks that referenced “bombs” or “bombing” in almost every other sentence), Kenney promised that Canada would no longer be an “honest broker as what could be more dishonest than that?”

It seems that the most Canadians can hope for is that the Harper government lets others, like Norway, take on the role of respected peace-builder.

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*Peggy Mason is the president of the Rideau Institute. This article is an amplification and update of a piece that first appeared in Embassy Magazine in October 2014.* 

## Why is the West spoiling for a fight with Russia?

By Murray Dobbin

**W**hat are the consequences when elected governments make policy based on faith and imperial hubris instead of science and expertise?

It's a question that is forcing itself on the world as we watch the United States, Britain, NATO and the Harper government continually up the ante in the confrontation with Russia over Ukraine. There are real enough geopolitical dangers in the world without actually creating them out of arrogance and ignorance, but that is where we are right now, and the consequences could be catastrophic.

Canada, Britain, the U.S. and the boys with their toys at NATO headquarters are looking for a fight with Russia. Throughout the confrontation and provocations these protagonists have treated Russia as if it were some insignificant middle power that can be provoked with impunity. That is just dangerously stupid, and stupidity is something the West can ill afford given all its internal problems: economic stagnation, unsustainable inequality, and collapsing infrastructure among others.

It is almost a truism that most politicians are woefully uninformed about the myriad complex issues they have to deal with on a daily basis. Traditionally (going back millennia), it has been the job of the civil service to make elected leaders look smarter than they are, which they do by rooting public policy in science and history. It is the job of professionals to bring to bear all the facts, nuances, and consequences of policy initiatives. This is especially true of foreign policy and the determination of the national interest.

As I watch the Ukraine/Russia disaster unfold I am reminded of George W. Bush's approach to formulating foreign policy, exposed, in a way, by Ron Suskind in an October 2004 article in *New York Times Magazine* titled "Faith, Certainty and the Presidency of George W. Bush." Suskind quoted an unnamed Bush aide (later revealed to be the sinister Karl Rove) as saying, "We're an empire now, and when we act, we create our own reality. And while you're studying that reality...we'll act again, creating other new realities, which you can study too, and that's how things will sort out. We're history's actors... and you, all of you, will be left to just study what we do."

The Bush administration did, of course, create its own reality: the hideous Iraq war and all that followed, including the crazed and spreading "new reality" of ISIS. Rove's madness is a chilling description of the anti-intellectual roots of U.S. policy-making, which continues under President Obama.

While Canada is hardly an empire, Prime Minister Harper clearly sees himself and his government as junior partners. Indeed, Canada often goes beyond the rhetoric of the U.S. administration, rattling sabres it doesn't have. Rove was referring to his own community as "faith-based." Stephen Harper could be a charter member.

But the problem with faith is that it leads you down a single road without the possibility of reassessment; it provides a false certainty in a world where there is none. The consequence with respect to the Russia-Ukraine conflict should have been obvious, says the final report of a recent

British House of Lords investigation.

The report, released in February, accused both the U.K. government and the European Union of a "catastrophic misreading of the mood in the Kremlin in the run-up to the crisis in Ukraine," which led to them "sleepwalking" into the crisis.

How could they have misread Putin so badly? How was it possible that senior politicians could have been unaware of the centuries-long relationship between Russia and Ukraine, or of the EU and U.S. promise in the 1990s not to expand NATO eastward, or the fact Russia, too, has national interests?

Faith in their own vision and disdain for their own advisors seems to have something to do with it. As the BBC put it, the House of Lords report "blamed Foreign Office cuts, which it said led to fewer Russian experts working there, and less emphasis on analysis.

"A similar decline in EU foreign ministries had left them ill equipped to formulate an 'authoritative response' to the crisis. The result was a failure to appreciate the depth of Russian hostility when the EU opened talks aimed at establishing an 'association agreement' with Ukraine in 2013."

British Prime Minister Cameron immediately rejected the conclusion of the report and doubled down on his crusader policy: "What we need to do now is deliver the strongest possible message to Putin and to Russia that what has happened is unacceptable."

The crusader rhetoric doesn't come just from the fevered minds of Harper, Cameron and Obama. The media and the punditry are mostly hands on deck, too. Even the normally rational, establishment magazine *Foreign Affairs* (the publication of the Council on Foreign Relations) has abandoned its role as U.S. foreign policy guidebook, according to economist Paul Craig Roberts, former assistant secretary of the U.S. Treasury under Ronald Reagan.

In an article entitled "Washington Has Resurrected the Threat of Nuclear War," Roberts is almost apoplectic in reviewing a *Foreign Affairs* article by Rutgers University professor Alexander J. Motyl, a frequent commentator on Ukraine and Russia, who suggested Putin was about to be brought down by internal revolt or else an alliance of North Caucasus, Chechnya, Ingushetia, Dagestan, and Crimean Tatars.

Canadian rhetoric is scarcely any more rational or in any way reflective of Canada's national interests. It is all bellicose stupidity disguised as concern for democracy and sovereignty.

And it's mostly talk. Ukraine will need tens of billions in economic aid every year for a decade just to survive, but the West has no intention of providing such largesse. We constantly encourage Ukrainian nationalism, mislead the Ukrainian people as to what we are willing to contribute, and promote the false notion that Putin can be easily intimidated.

Talk of providing advanced weapons to the Ukrainian military is frighteningly irresponsible, but the war talk continues. We might expect that Canada would listen to others closer to the scene, like Germany's Chancellor Angela Merkel, who is clearly alarmed at the recklessness of her

English-speaking NATO partners.

"I cannot imagine any situation in which improved equipment for the Ukrainian army leads to [Russian President Vladimir] Putin being so impressed that he believes he will lose militarily," she said on February 7.

Harper and his senior partners seem to project the consequences of their pronouncements no more than a few hours into the future. They seem barely cognizant that there will be consequences to their actions and rhetoric. If the West, and the corrupt and inept Ukrainian government, ever did end up in a war with Russia it would be over in two weeks. Then what would Harper, Obama and Cameron do? Will NATO invade to free Ukraine and confront nuclear-armed Russia? Do our leaders have any long-term policy at all? Do they think it's all just a game?

We rarely hear from military intelligence on these matters because, by its nature, only the government has access to that information. It would be fascinating to know what they think of this endless provocation of Russia. But we do now have a window onto how the military felt about another reckless

Canadian enterprise: the overthrow of Libya's Moammar Gadhafi.

According to *Ottawa Citizen* reporter David Pugliese, just days before Canadian planes began bombing in 2011 the military warned the government "There is the increasing possibility that the situation in Libya will transform into a long-term tribal/civil war," and that "This is particularly probable if opposition forces received military assistance from foreign militaries." They further warned that removing Gadhafi (a staunch ally in the fight against Al Qaeda) would "play into the hands of" Islamic militants.

The warnings were ignored. Then foreign affairs minister John Baird demonstrated the Harper government's contempt for professional analysis and advice in his prediction of the future, declaring, "The one thing we can say categorically is that they (rebel groups) couldn't be any worse than Col. Gadhafi."

Judging from the results that Libya is now a failed state, that dozens of heavily armed militias are fighting for control of the country, and that ISIS is now planning to use Libya as a launch pad for attacks on Europe, we can say


with confidence that Baird was wrong.

We are left to speculate on the warnings the Canadian military is giving the Harper government regarding shipping sophisticated weapons to the Ukrainian government.

You know things are really dangerous when one of America's pre-eminent warmongers is worried about U.S. policy. Henry Kissinger recently wrote in *The Huffington Post*, "Far too often the Ukrainian issue is posed as a showdown: whether Ukraine joins the East or the West. But if Ukraine is to survive and thrive, it must not be either side's outpost against the other—it should function as a bridge between them."

Hubris and contempt for analysis and history played out quickly in Libya. There is still a chance that the world can step back from the brink in Europe. If it doesn't, we will know whom to blame.

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*Murray Dobbin is an author, commentator, journalist and activist whose columns regularly appear in The Tyee, Rabble.ca, The Hill Times and elsewhere. He is a board member of Canadians for Tax Fairness and sits on the advisory council of the Rideau Institute.* 

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## Small-scale farming report is food for thought

By Kate Storey

Public demand to buy food directly from farmers is growing. In Manitoba, the government response has been slow, and the regulatory hurdles are discouraging. The release of the report *Advancing the Small Scale, Local Food Sector in Manitoba: A Path Forward* is a first step, but farmers are asking if it will really make any difference.

Many farmers are willing to sell a side of beef, a few dozen eggs or a bag of potatoes to their acquaintances. Indeed, farmers have been directly marketing in this way since agriculture began. At one time, governments encouraged them in the art of safe food production and processing. (Some no doubt remember that 4-H lesson on how to properly butcher a chicken for sale.) At one time, direct sales accounted for a significant percentage of food purchases. Many citizens knew their farmer.

Then came the agribusiness revolution. Farmers were encouraged to abandon their small enterprises and specialize to fill commodity markets. Citizens became consumers, and within two generations the social link between table and farm was broken.

Now, corporate grocery stores rule the food system with a massive, complicated and expensive network of middlemen who ensure a constant supply of every food imaginable, in and out of season. In order to keep this food as cheap as possible, efficiencies must be found and corners cut.

Citizens have gradually noticed that, although food is plentiful, its quality and taste has changed. Occasional food recalls and stories of factory conditions have contributed to a general worry about industrial food quality. Consumers grumble and keep going to the grocery store anyway, but a growing number of citizens are seeking their food directly from farms.

Some farmers are answering the demand. Direct food sales at the farm gate and farmers' markets are expanding. Networks are developing to streamline sales, with the Internet and word of mouth as marketing tools. Governments jump on the bandwagon and proclaim their support for local foods, but little support is provided for small-scale producers.

Other farmers do not see selling food to a neighbor as marketing and can not believe that anyone could make a living that way. They have bought into the idea that bigger is better and taken it one step further to believe that smaller is bad. This type of thinking has fuelled the commodity associations, which lobby government to advance regulations that ignore the needs of small-scale food producers, and actively discourage farm gate sales and farmers' markets.

When challenged, government and commodity associations talk about food safety. A look at the regulations show that many have nothing to do with food safety and everything to do with making small farms disappear. International traceability, export protocols, food sizing, fancy packaging, double washrooms, double signatures and paved parking lots are not necessary when the farm is small and the consumer can question the farmer directly.

Attention was drawn to these issues when a popular farm

was first commended by government, then raided and fined over a regulatory technicality. The resulting public furor was loud and long. When faced with public outrage, a government's strongest defence is to commission a report. Thus the Small Scale Food Manitoba Working Group was created.

The group included three small-scale direct-marketing farmers, and five staff members from associations representing heavyweights like Parmalat, Maple Leaf Foods and Canada's biggest egg conglomerate, Burnbrae Farms. Chair Wayne Lees should be commended for making an extraordinary attempt to advance the small-scale local food sector in the group's final report. Many of the recommendations are welcome.

*Advancing the Small Scale, Local Food Sector in Manitoba* estimates about 3% of Manitoba food is sold directly from a farmer at the farm gate or farmers' market, suggesting this should grow to 10% by 2020. If direct marketing is seen to be in direct competition with commodity agriculture, and industrial operators see 10% as the difference between profit and loss, will they be willing to give up a share of their market?


One recommendation in particular has made direct-marketing farmers wonder if the consultation was futile: the proposal that small-scale food producers should create their own association. This would not be used to lobby government, suggests the report, but to work inside the other, larger associations. Small producers are busy; they do not have the capacity to create such an organization. The report offers no ideas for funding, and it does not acknowledge the power imbalances inherent in these struggles for share of the agricultural market.

To the commodity associations, the report recommends they "foster a diversity of production methods" and recognize small-scale producers "as legitimate members of the commodity group." It calls for "a collaborative, inclusive context among the existing boards, small scale specialty producers, government policy analysts and consumers." Small farmers are understandably skeptical that large associations can make these changes given their interest in the status quo.

Is collaboration possible? In the past, government has labelled small farms as inferior, mandated commodity associations to replace the small scale with export-oriented industrial production systems, and given the latter a virtual monopoly. Now the associations are being asked to embrace diversity and give up a piece of their market.

Public support for small farms is strong and getting stronger. As the report, *Advancing the Small Scale, Local Food Sector in Manitoba*, points out, commodity associations "have been granted a social license to provide a predictable supply of food to the public." But the growing popularity of small-scale food and farmers' markets is a sign that the public wants more. The question is what will governments do to make a real place at the table for small-scale producers?

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Kate Storey is a Manitoba farmer and direct marketer. This article is taken from the CCPA-Manitoba's Policy Fix blog. 

## How the Digital Privacy Act could attract copyright trolls to Canada

By Meghan Sali and Steve Anderson

Canada's system of copyright enforcement is internationally recognized as striking a good balance between the rights of artists and creators, on the one hand, and the right to free expression, by individuals and groups, on the other. Importantly, the Canadian intellectual property rights regime protects people from false claims of copyright infringement, and needless takedowns of legitimate online speech.

We can be proud of this made-in-Canada solution—won after a lengthy public and industry consultation—that came fully into force only this January. Specifically, with respect to online activity, we should be thankful for Canada's unique “notice and notice” process, which obliges Internet service providers (ISPs) to let their customers know when they are suspected of infringing a copyright.

The important point here is that under this Canadian process neither the ISP nor the recipient of the notice is required to remove the allegedly infringing online content. Canada's ISPs are also not required to reveal (to copyright holders) any personal information about their customers who have received notices. Under a “notice and notice” system those seeking the name and IP address of alleged online infringers must get a court order first.

The advantages of the Canadian approach become clear when you compare it with what exists in the United States. Under the U.S. “notice and takedown” system ISPs tend to remove content as soon as they receive a notice. In most cases, that happens even before a court has determined whether any copyright infringement has in fact occurred. This misuse of copyright law is having a chilling effect on free speech. It is also more and more commonly used as a tool of censorship detached from its original purpose.

In 2010, the Centre for Democracy and Technology released a report on meritless copyright takedowns during the 2008 U.S. presidential election.

Citing examples from both sides of the political spectrum, the report noted critically that “what motivates these takedowns is often not copyright, but issues not within the [Digital Millennium Copyright Act's] purview, such as concerns over reputation and false endorsement.”

With takedown regimes being pushed on a global scale by the likes of the Motion Picture Association of America (MPAA) and the International Intellectual Property Alliance (IIPA), and with relentless pressure on Canada from consecutive U.S. administrations to harmonize our intellectual property rights regimes, it's a wonder we managed to create a system that attempts to find balance on this issue.

That is far from saying that Canada's copyright regime is perfect. Flaws were exposed in the poor implementation of the “notice and notice” system in January. Already the law is being abused by U.S. anti-piracy firms, who are sending huge volumes of notices to Canadians through their ISPs. In many cases these notices are misrepresenting Canadian law, for example, by demanding settlements or threatening disconnection from the Internet on the basis of alleged infringement associated with an IP address, not a person.

Lawyers, academics and regular Internet users have been calling on Industry Minister James Moore to fix the rules. They want to see a template system for notices that would standardize the process while ensuring people receive accurate information about the possible legal ramifications. Other proposed adjustments include adding a forwarding fee per notice sent, and penalties for sending false infringement claims.

So what does all this have to do with Canada's Digital Privacy Act (Bill S-4)? First tabled in the Senate in April of last year, the legislation would amend the Personal Information Protection and Electronic Documents Act (PIPEDA) and implement much-needed regulations

around security breach disclosure requirements.

On the whole, the bill has been welcomed by academics, but it has one glaring flaw. As written, the legislation would promote the expansion of voluntary warrantless disclosures of personal information, not to law enforcement agencies, but rather to other private companies, without the consent, or even the knowledge, of the person whose personal information is being shared.

Information sharing is meant to be limited in Bill S-4 to situations where there is an investigation into a contract breach, an alleged legal violation, or a possible future violation. While this may appear reasonable, it is actually incredibly broad.

Consider the dozens of contracts (e.g., the infamous Terms of Service agreements attached to new apps and software) a typical person signs every year, often without even reading them. *Atlantic Monthly* reported in 2012 it would take 76 workdays for an individual to read all the privacy policies they encounter and are asked to sign in a year.

Most grievously, S-4 would render the Canadian “notice and notice” system impotent. ISPs would be granted legal immunity to disclose personal information about their customers to copyright trolls, without the consent or knowledge of the customer affected, and without having to obtain a court order first.

Taking into consideration the manner in which the new system is already being exploited by U.S. media firms, any extension of powers for ISPs to voluntarily make warrantless disclosures of private information would be exposing the public to great risk, and undermining our domestic democratic process.

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*Meghan Sali is Campaigns Co-ordinator for Free Expression with OpenMedia.org, a community-based organization that safeguards the open Internet. Steve Anderson is Executive Director of OpenMedia.org.*

## Labour must confront radical legislation with radical action

By Nora Loreto

In 2002, Canadian citizen Maher Arar was deported to Syria. He was held until October 2003 and was tortured. An inquiry later found that information shared by the RCMP was used to enable his deportation and detention.

When Université Laval student Ahmed Abassi was celebrating his marriage in Tunisia in 2013, his student visa was cancelled abruptly and without explanation. He was then entrapped by an undercover FBI agent, arrested on suspicion of terrorism and detained in the U.S. for nearly a year. Abassi charges that this could have only happened if Canadian officials shared information with American officials. Abassi can't return to Canada to finish his studies even though all terror-related charges have been dropped.

Thanks to documents leaked by Edward Snowden, we know that Canadians are under mass surveillance by state officials. Enter Bill C-51, the Conservatives' so-called anti-terror legislation. Many of the changes this law proposes seem to legalize what is very probably already happening. Bill C-51 will very likely lead to more cases like Arar's and Abassi's.

For Indigenous people and communities, Bill C-51 represents nothing new. As the most criminalized and policed people in Canada, the anti-terrorism legislation simply looks like another attack following the traditions of forced starvation, the pass system on reserves, residential schools, forced placement of children into child assistance services, and the prison system.

Communities or activists who question the very legitimacy of Canada, or actively disrespect the tenuous sovereignty on which Canada is built, are the enemies of this legislation. The very existence of people who do not accept the legitimacy of Canadian sovereignty is a threat to Canadian sovereignty.

How this legislation will be enforced is still an open question, but it's false to say that the only problem with the legislation is oversight, as many have argued. Instead, the path that Bill C-51 sets forth is dangerous and, if the Conservatives are re-elected, will allow for more extreme forms of repression.

The legislation defines an activity that undermines the security of Canada as one that "undermines the sovereignty, security or territorial integrity of Canada or the lives or the security of the people of Canada," and offers examples of what the act considers these activities to be. Most relevant for activists are:

(b) changing or unduly influencing a government in Canada by force or unlawful means;

(f) interference with critical infrastructure; and

(h) an activity that causes serious harm to a person or their property because of that person's association with Canada.

The section adds: "For greater certainty, it does not include lawful advocacy, protest, dissent and artistic expression." Considering how often protests are deemed to be unlawful, this doesn't fill me with confidence.

The legislation also adds extremely broad allowances for



Protesters rally in Ottawa March 14 during a national day of action against Bill C-51.

people to be detained or otherwise harassed. For example, under amendments to the Canadian Security Intelligence Service Act, Section 12.1 (1) 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.*

So, if a government official thinks that you're participating in an activity that poses a threat to Canada, they (CSIS) would be able to actively "reduce" the threat. Use your imagination.

It's not a carte blanche to disappear people. CSIS will not be able to intentionally, or through criminal negligence, hurt or kill someone, willfully obstruct justice, or sexually assault anyone. And reducing a threat can only violate the Charter of Rights and Freedoms if there exists a warrant to allow for that.

This might be enough to satisfy Harper's supporters, but it should alarm everyone who believes that our rights to dissent and protest are critical within a democratic state.

This legislation needs to be resisted, and it will be resisted, and people will be detained, their rights violated and their lives ruined. How can someone fight for Indigenous sovereignty and not undermine the sovereignty or territorial integrity of Canada? How can a sovereignist in Quebec call for borders to be redrawn without undermining Canadian sovereignty?

If actions are carried out that threaten critical infrastructure (e.g., rail, pipelines, power stations, etc.), or that damage property but that don't hurt anyone, a person will feel the full force of this new anti-terror legislation, improved oversight or not.

In *From Demonized to Organized: Building the New Union Movement*, I argue that the labour movement needs to start acting like the official opposition in Canada and confront Stephen Harper. The Canadian Labour Congress stated on March 13 that it opposes C-51, joining several other unions that



had already taken that step. But labour leaders need to go beyond statements and actively resist the government to make it impossible for them to enact the bill.

Labour unions are in a privileged position on the Canadian left. Their resources and labour can grind the economy to a halt—a feat that is impossible for any other civil society organization. And while showing solidarity with the people who will be most targeted under this legislation is important, opposing Bill C-51 would also demonstrate their opposition to the legislation for the threats it poses

against labour too.


In an alternate universe, it could be argued that striking workers are a threat to the security of Canada. Conservative MPs made these kinds of arguments during the dispute between Canada Post and the Canadian Union of Postal Workers in 2011. An illegal strike plus interference with critical infrastructure (which could be as simple as workers ceasing operations on Canadian railways) could result in the detention of union leaders and members alike under Bill C-51.

Unions often remind people

that they stand between democracy and totalitarianism. That, when they defend the right to free association and collective bargaining, they help to balance the totalitarian desires of extremist governments.

And it's true, but these kinds of reminders have to be followed by action.

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*Nora Loreto is a writer, musician and activist based in Quebec City. She is the author of From Demonized to Organized, Building the New Union Movement and the editor of the rabble.ca series Up! Canadian Labour Rising.* 

## Reclaiming Our Narrative

Edward Said famously argued, “the West uses the East as an inverted mirror, imagining them to be everything the West is not.”

This year the theme of International Women’s Day is “Make it Happen!”

So how, as Muslim women, can we make things happen?

There are three important steps:

Look at our strengths.

Build networks with other women.

Reclaim our narrative

As women, we are built to be strong. Physically, emotionally and mentally. However, our environment constantly reminds us to sit down and be weak.

When my husband was arrested in the U.S. and sent to Syria to be tortured and imprisoned, people looked at me and whispered, “How is she going to do it?” and “She is fighting a lost cause.”

But I did it. How? By looking inside myself for strength, by building a network of allies, and by reclaiming my own narrative.

When I ran federally in 2004 for the New Democratic Party, some analysts and journalists said, “she is a sacrificial lamb.” But I gathered more than 8,000 votes in a riding that voted always for the Liberals and sometimes the Conservatives.

For many centuries, Muslim women have been portrayed in books as passive, oppressed, victims of their religion, victims of their traditions, or victims of their own men. Today, the stigma is still there. We are still suffering from the same stereotypes. In the media, we are either totally absent, or if present we are victims.

Muslim women’s fate was an alibi before, for colonialism, and even today it is still used as a justification to go to war.

So how can we “Make it happen?”

By reclaiming our voices. Reclaiming our own narrative. Black women did it before us. Aboriginal women in this country are working hard to do it. So why can’t we do it?

It is about time to be proactive in shaping all the different Muslim pictures of Muslim women.

Not only the oppressed, the victims, or the absent. But



also the smart, the hard working, the struggling, the activist, the artist, the sensible, the ones who do NOT necessarily need to be saved from someone else.

I am not saying we have to tell the story of The Muslim Woman, as it doesn’t exist. There is not only ONE story or only ONE woman.

We are different and complementary in our views, in our visions, in our practise of Islam.

But the challenge is to give our own version of the stories. The challenge is to talk to the others about who we really are. The challenge is to define ourselves before others do it for us.

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*Monia Mazigh was born and raised in Tunisia and immigrated to Canada in 1991. She was catapulted onto the public stage in 2002 when her husband, Maher Arar, was deported to Syria where he was tortured and held without charge for over a year. In 2008, Monia published a memoir, Hope and Despair, about her pursuit of justice, and recently wrote a novel about Muslim women, Mirrors and Mirages. You can follow her on Twitter @MoniaMazigh or on her blog [www.moniamazigh.com](http://www.moniamazigh.com), from which this International Women’s Day speech to Federation of Muslim Women is taken with permission.*

## **“A breathtaking rupture with fundamental precepts of our democratic system”**

*Craig Forcese and Kent Roach, both professors of law, have been commenting almost continuously on almost every aspect of Bill C-51 since the federal government introduced the omnibus anti-terrorism and security legislation at the end of January. On March 12, they jointly presented their views on the bill to the parliamentary standing committee on national security and public safety. The following are Forcese's comments, taken from his and Roach's website [www.antiterrorlaw.ca](http://www.antiterrorlaw.ca).*

I come before you as someone who has regularly appeared before this committee, generally supporting this government's security laws. I did so, with important provisos, in the area of special advocates with immigration security certificates. I did so, with provisos, in the re-enactment of preventive detention powers in s.83.3. And this fall, you'll recall, I appeared in support of the Bill C-44, clarifying CSIS's overseas surveillance power.

Each time, however, I have proposed amendments designed to minimize negative repercussions, including repercussions producing unnecessary litigation.

The details matter. And it is the details we are here to discuss.

I start with a few brief words on preventive detention by police in s.83.3 of the Criminal Code, as modified by Bill C-51. In the past, I have spent considerable time looking at equivalent laws in other countries. Professor Roach and I have drawn inspiration from these laws—and most notably that of Australia—and are recommending a series of specific safeguards designed to govern the nature of preventive detention and what exactly may happen to persons in such detentions.

I wish, however, to focus most of my comments on the CSIS Act amendments.

If Bill C-51 passes, CSIS will be authorized to act physically to reduce “threats to the security of Canada.” Where authorized by Federal Court warrant, these “measures” may “contravene the Charter” or may be “contrary to other Canadian law.”

The government says it needs these powers so that, for example, CSIS can warn families that a child is radicalizing. No one in good faith could object to this. But the bill reaches much further. Indeed, the only outer limit is: no bodily harm; no obstruction of justice; and no violation of sexual integrity, along with a more open-ended and subjective admonishment that the Service act reasonably and proportionally. There is a mismatch between government justifications and the actual text of the law.

We underscore both the security and legal consequences of such a proposal. On the security side, we must all be preoccupied by the long-standing difficulties of “deconfliction” between RCMP and CSIS operations, even under the present law.

We run a considerable risk that new CSIS operations may end up overlapping, affecting and perhaps even tainting a subsequent RCMP criminal investigation into terrorist activity. A criminal trial may be mired in doubts about whether the CSIS operation contributed to, or otherwise was associated

with, the crime at issue. Will our most successful anti-terror tool—criminal law—be degraded by CSIS operations that muddy waters? Any veteran of the Air India matter must be preoccupied by the possibility.

But even if the government thinks that CSIS/RCMP operational conflicts are worth the risk, we can meet its stated security objective without opening the door so wide to possible mistakes by a covert agency.

For instance, amend the bill to remove any reference to the Charter being contravened by CSIS. The current proposal is a breathtaking rupture with fundamental precepts of our democratic system. For the first time, judges are being asked to bless, in advance, a violation of our Charter rights, in a secret hearing, not subject to appeal, and with only the government side represented. There is no analogy to search warrants—those are designed to ensure compliance with the Charter. What the government proposes is a “constitutional breach warrant.” It is a radical idea, one that may reflect careless drafting more than considered intent.

It deserves sober second thought by Parliament.

Moreover, with a simple line or two, this committee could add new and reasonable limits on CSIS's powers, including, for instance, an emphatic bar on detention. We cannot risk a parallel system of detention by a covert agency able to act against people who have committed no crime. At present, whatever the government's claims to the contrary, there is no prohibition on such a system.

In the final analysis, we are dependent on good judgment by the service (CSIS). I do not doubt CSIS's integrity. I do doubt its infallibility.

Good law assists in exercising good judgment. As does robust review.

And that brings me to SIRC (Security Intelligence Review Committee). We need to reinvest in our national security accountability system. SIRC's constraints and design mean that it is incapable of reviewing all of CSIS's activities, or even CSIS's conduct under all its existing warrants. A partial approach to review will be spread even thinner as CSIS's powers expand.

More than this, SIRC (and other review bodies) are unnecessarily hamstrung by legal limitations that “stovepipe” their functions to specific agencies, and prevent them from “following the trail” when government agencies collaborate—an increasingly common practice that C-51 will unquestionably increase.

The Arar Commission recommended that “statutory gateways” be created allowing SIRC to share secret information and conduct joint investigations with Canada's two other existing independent national security review bodies. The government has not acted on this report.

In some respect, we are only repeating concerns that SIRC itself has voiced. Indeed, SIRC has already told your senate counterpart this week it is concerned about the implications of C-51 for its effectiveness. That message about limited powers should not be lost.

A few paragraphs of legislative language could create these statutory gateways, as a stepping stone to a broader rethink of national security review. In doing so, you would be doing a service for Canadians, and also for CSIS itself. If SIRC makes CSIS better, as its director has often suggested, make sure SIRC can continue to do so.

Meanwhile, not even SIRC reform would address the fact that Canada, alone among its “Five Eye” security partners, does not give parliamentarians access to secret information. A special security committee of parliamentarians can perform valuable “pinnacle” review by examining the entire security and intelligence landscape. Someone needs to see the forest, not just the individual

trees. And our allies have made it work.


A few pages of legislative language would create this process and it could also ensure a meaningful and informed Parliamentary review of the effects of this far-reaching legislation after a few years of its operation.

I conclude with a single observation, as a capstone to our submissions.

In its present guise, Bill C-51 violates a cardinal principle we believe should be embedded in national security law: any law that grants powers (especially secret, difficult to review power) should be designed to limit poor judgment, not be a law whose reasonable application depends on excellent judgment.

And whatever the truth as to whether these powers are constitutional

or necessary, their introduction is irresponsible without a redoubled investment in our outmatched and outdated accountability system. Anyone who has worked on accountability in the security sector knows that there is a core maxim in this area: “trust but verify.” We do not believe that this standard will be met.

It is within your competence to pass a law that protects our security and liberty, and does so without the sort of incoherence that risks actually undermining our security. Such amendments to C-51 require good will, and a willingness to consider suggestions made in the earnest hope of a good law that protects our country and our rights. 

## The Security of Canada Information Sharing Act

*Excerpt from the March 12 presentation of litigation lawyer Paul Champ, representing the International Civil Liberties Monitoring Group, to the parliamentary committee hearings into Bill C-51.*

The RCMP and CSIS have long had the power to access personal information from other government departments for investigational purposes, where proper legal grounds can be demonstrated. The truly novel features of SOCISA (Security of Canada Information Sharing Act) are two-fold.

First, it creates a new expanded definition for “security of Canada” that is much broader than current definition in s. 2 of the CSIS Act, which is incorporated by reference in many other statutes which incorporate it. The CSIS Act definition limits “security of Canada” to espionage, serious acts of violence for political purpose, and attempts to overthrow government by violent means. On its face, the definition in SOCISA captures a range of activities that are not terrorism-related, or even criminal for that matter. Indeed, “terrorism” is only one of nine enumerated activities that are said to “undermine the security of Canada.”

There are legitimate concerns that those who engage in protests, demonstrations, strikes or civil disobedience could run afoul of SOCISA because their activities could be construed as “interference” with “the economic or financial stability of Canada,” or “unduly influencing” government by “unlawful means,” which is broader than violent or criminal activity. It is worrisome that there has been no rationale offered for this expanded definition. The Minister and others have said its not meant to capture these kinds of activities. If not, then simply amend it and rely on the well-established and accepted definition in the CSIS Act.

The second novel feature is that it tasks all listed government departments, including those with no statutory role or experience in law enforcement or security intelligence, with a mandate to detect, prevent, investigate or disrupt “activities that undermine the security of Canada.”

The bill effectively turns all government employees in the listed departments into spies, and facilitates the creation of secret files on individual Canadians simply because some unknown official finds their behaviour, lifestyle, opinions or associations to be suspicious or unusual.

The harms and risks presented by this act are both general and specific. It clearly infringes the right to privacy, which is defined as the right to control information about one’s private life. The right to privacy protects the sphere of autonomy and freedom that every person requires to develop a sense of self and individuality, build intimacy and close relationships, and foster the social and political associations that are essential to a vibrant and robust society. Knowledge that one’s actions may be recorded and collated in a secret government dossier not only impinges on personal dignity, it can create a chilling effect that may deter, discourage or inhibit exploring new or unpopular or controversial ideas or associations.

There are also very specific dangers associated with information sharing that can have devastating consequences for individuals. It can lead to damaged reputations, loss of employment, being barred from flying or crossing the border, and worse. As two public inquires found, in the wake of 9/11 fears, four Canadians were detained and subjected to torture due in part to erroneous or improper information sharing by Canada with foreign countries. As mentioned, I settled a case with the federal government on behalf of an Algerian refugee and engineer, Benamar Benatta, who was wrongfully imprisoned in the U.S. and abused as a 9/11 suspect because of negligent information sharing by Canadian officials.

One could conclude that the government appears to have not learned the lessons of the Arar debacle, were it not for the inclusion of s. 9 in the new act. That provision protects the government from future civil liability for information sharing, which would likely prevent Maher Arar from suing if he were to experience the same terrible ordeal today.

(Big mining, continued from page 1)

privatization, deregulation and cuts in social sector spending were standard conditions on this financing option.

Massive privatization of public industries ensued, with state mining companies among the first to go. By way of example, the largest iron company in the world, Brazil's Companhia Vale do Rio Doce, was privatized in 1997 through a public auction. Brazilian civil society cried foul, since the sale price of \$3.3 billion omitted key assets and was far below the company-assessed value of \$40 billion. Even a decade later, Brazilian social movements were able to rally more than a million votes for a return to state ownership.

Governments relinquished their regulatory roles in favour of more flexibility in labour and tax regimes. It was meant to create "business readiness," to entice foreign investors. Mining companies, labelled corporate predators during the anti-colonial and anti-imperial struggles, were redesignated as "development partners."

In the Global North the instruments used to move from the "embedded liberalism" of the post-Depression decades to neoliberalism were free trade agreements (FTAs), which would be better named "investor privilege agreements." These went well beyond the established substance of trade negotiations, such as import tariffs, to open up (liberalize) a multiplicity of non-tariff barriers to trade.

Clauses in FTAs requiring national treatment for foreign investors, and prohibiting performance requirements on direct investment, meant governments could not treat foreign investors differently from local entrepreneurs. Quotas on employment of nationals, or the use of national raw materials or suppliers, were ruled out. Under investor-state dispute settlement clauses in those same agreements, governments could be sued for policies protecting public health or the environment if they cut into the projected profits of the investor.

In 1997, Ethyl Corporation sued the Canadian government for banning imports of gasoline containing a toxic additive called MMT. In a preliminary judgment, an investor-state dispute panel found the policy violated Canada's investment obligations in NAFTA. Canada chose to settle with Ethyl by repealing the MMT ban, offering an apology and paying a \$13 million fine. If free trade agreements give corporations this kind of power over countries like Canada, how would poorer countries fare?

In El Salvador, the company Pacific Rim has been demanding a permit for a gold mining project that threatens the country's primary source of drinking water. Two successive governments have declined to grant this permit to the mining company and the country now finds itself in a costly lawsuit at the World Bank's International Centre for Settlement of Investment Disputes (ICSID). The chill effect on any government trying to protect the public good is enormous.

Not all Global South countries are covered by FTAs with the Global North. In those cases, to make sure mining projects would be protected from government intervention, Bilateral Investment Treaties (BITs) and Foreign Investment Protection Agreements (FIPAs) were introduced. Both are heavy on investor

rights and yet include nothing on investor responsibilities.

The Canadian government has ratified FIPAs with 27 countries since 1990, with 23 more in the pipeline. A FIPA can be terminated with one year's notice, but the treaties typically include a 15-year sunset clause, meaning that a government coming to power on a platform of curbing the unregulated power of big mining would have to wait 15 years to implement its reforms!

Another pro-industry clause in the FIPAs, like in NAFTA, demands dispute resolution via binding international arbitration—that is, litigation using expensive lawyers in business-friendly international courts—rather than domestic courts.

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## Intimacy between governments and mining companies

In this deregulated paradise, governments have ceased to constrain big mining. But more than this, in both the Global North and South, governments have become proactive in support of mining company interests.

The Quebec government has pinned its economic strategy to *Plan Nord*, launched in May 2011, which committed \$1.2 billion to building massive infrastructure in northern Quebec in order to open up rich mining and forestry resources for export. Public officials went courting big foreign investors but were profoundly silent on royalty and tax regimes, redistributive mechanisms or beneficiation. In Quebec, as in Latin America and Africa, the

vision was to implement megaprojects, linked to transport corridors, carrying unprocessed ore to global markets.

Steelworkers in Quebec asked tough questions about *Plan Nord* at their annual conferences in 2011 and 2012. Would these new mining projects be harnessed to provide revenue for Quebec's much-vaunted social programs? Would foreign workers be brought in to build these mines? How many good, permanent jobs would be created? Did plans to export unprocessed ore mean, in effect, exporting jobs? What about the environmental impact on fragile northern ecosystems and the role of Aboriginal communities?

Quebec students, during their Maple Spring protests of 2012, were quick to connect the dots between a Liberal government that cried poor, as justification for raising university tuition fees, while spending freely on infrastructure for private mining companies. Issues converged into a full political crisis and election. But subsequent governments have shown little propensity for establishing a different relationship with big mining.

The proactive role of governments in supporting *their* mining companies is seemingly boundless. In Brazil, the National Bank for Social and Economic Development (BNDES) was historically a key institution in promoting a national economic strategy for the country's natural resources. In recent years, the bank's mantra has become "making Brazil competitive in the global economy." This has translated into huge loans for the global expansion of companies like Vale.

Luiz Inácio Lula da Silva, the renowned labour leader and former president of Brazil, has travelled frequently with Brazilian corporate executives. In Africa he has traded on sentiments of South-South solidarity. After his presidency, in November 2013, Lula joined current Vale president Murilo Ferreira on another Mozambique mission. His program included lobbying the minister of labour to increase the 15% quota on foreign workers in Vale's future projects.

The proactive role of the Canadian government in support of mining is multi-faceted and constantly expanding. Despite pressure from unions and NGOs for an enforceable means of regulating Canadian mining companies abroad, our government has been steadily increasing its direct support to the industry.

Mining company executives are included on Team Canada missions to promote trade. In some instances, Canadian embassies serve as a virtual operations base during the start-up phase of mining projects, and even well beyond. Bilateral aid related to mining has ranged from behind-the-scenes embassy pressure (for policies favourable to the industry) in Honduras and Ecuador to direct financing for rewriting Colombia's mining codes. Government officials from Alberta travelled to Bolivia to advise on natural gas management.

Canada's Trade Commissioner Service teamed up recently with international development NGO World Vision and the Prospectors and Developers Association of Canada to produce a manual for corporations. *Preventing Conflict in Exploration: A Toolkit for Explorers and Developers* uses a popular education approach to help mining companies win consent for their projects from affected communities. The first step is analyzing the context and identifying key stakeholders: land owners, women's groups, traditional chiefs, local priests, unemployed youth and anti-mining groups. The second step is to map out stakeholder positions, interests and internal power relations.

The toolkit has activities to determine stakeholder status, interests, influence and networks, thus enabling the mining company to locate the risk each presents for stopping their projects. Lamentably, there seems to be no equivalent Canadian government initiative to fund a tool for rural communities to help them decode and challenge the strategies of big mining companies.

The Canadian International Development Agency (CIDA) had already begun to divert aid money into project partnerships with mining companies before it was absorbed by the Department of Foreign Affairs, Trade and Development in 2013. For example, World Vision, Plan International, and World University Service of Canada partnered with Barrick Gold, Rio Tinto and Iamgold in 2011 to carry out community development and training projects alongside mining operations.

After the departmental merger, which brought aid and trade closer together, a similar funding window for NGO-mining company projects opened in the mineral-rich Andean region. Meanwhile, organizations doing public education critical of the

behaviour of mining companies abroad, such as Development and Peace and KAIROS Canada, had their government funding cut. Despite public criticism of diverting government aid money to helping mining companies pacify local communities, the practice continues unabated.

## Power through illegal activities

In May 2013, a case study was released on Canadian Embassy support for Alberta-based Blackfire Exploration in Mexico. It documented how readily a mining company used illegal means to assert its power, but also how far the Canadian government went to support it.

Blackfire had strong diplomatic involvement throughout a lengthy and highly conflictive situation. Many community members were strongly against the mine in Chicomuselo, Chiapas because it disrupted their farming and damaged the environment. Blackfire's bribes to the local mayor to control community protesters went public. A Blackfire private security guard was accused of the drive-by assassination of community leader Mariano Abarca. Despite Abarca's death, the suspension of the mine's operations for environmental damages, and enough proof of Blackfire's corruption to warrant a police investigation in Canada, the embassy continued to stand by the company. The parting gesture of support was advice from embassy officials to Blackfire about using NAFTA investor-state provisions to sue the state of Chiapas, arguing that the mine closure had curtailed projected profits from Blackfire's investment.

Powerful global players like Vale revert regularly to illegal means. Brazilian colleagues have long commented on Vale's propensity to buy union, community and government leaders. During my first visit to Moatize, the site of Vale's coal mine in Mozambique, the briefing by the district administrator to our trade union delegation made reference to the vehicle Vale had given to the provincial trade union head. A few months later, workers constructing the mine stoned the vehicle during a wildcat strike. Local union leaders have recounted that they are regularly offered job security or company credit cards in return for silence on workplace issues.

In Brazil, a disgruntled former director of Vale's department of



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intelligence and corporate security became a whistleblower in 2013, presenting documents to the Brazilian state prosecutor as proof of how Vale engages in widespread spying throughout its national operations, accessing the phone records of prominent journalists and infiltrating groups such as the Landless People's Movement and Justice on the Rails, a coalition supporting community struggles in northern Brazil.

For workers and local communities, the dream of what a mining project will bring is simple: jobs and housing, education and health care, and a better future for their children. These hopes are quickly dashed. When their disappointment translates into anger and acts of resistance, they are quickly confronted with another phenomenon of contemporary mining: the criminalization of dissent. All too often dissenters face both government and mining company security forces acting simultaneously against them.

### Power through lobbyists and lawyers

Establishing new regulatory measures to hold mining companies to account for their activities abroad is a longstanding concern of civil society groups in Canada and other parts of the Global North. Canadian organizations have engaged in tri-partite processes involving mining companies and government. They have garnered widespread support for private members' bills. In every case, however, the zeal of civil society organizations in pressing for tougher standards with sanctions has been completely eclipsed by industry lobbying activities.

In 2010, civil society groups mobilized broad support for Bill C-300, to promote "best practices and to ensure the protection and promotion of international human rights standards in respect of the mining, oil or gas activities of Canadian corporations in developing countries." Complaints under this proposed law would result in investigations by the Canadian government. Companies not in compliance with corporate social responsibility (CSR) guidelines would become ineligible for financial support from Export Development Canada, the Canada Pension Plan and the Department of Foreign Affairs and International Trade (now DFATD).

Mining companies lobbied hard against the private member's bill. Barrick alone met with 22 MPs and three senators while the Canadian Mining Association lobbied 29 MPs. Vale, Goldcorp, Kinross and Iamgold also registered lobbyists to work on the legislation and it paid off. Bill C-300 was not passed.

The world of lobbying, and the revolving doors between government and corporate appointments, goes largely unregulated, veiled in secrecy and seemingly flourishing, despite moments of exposure in the media. In the United States, for example, in the wake of an explosion in April 2010 that killed 29 miners at a Massey Energy mine in West Virginia, the *Washington Post* revealed that more than 200 former congressional staff members, federal regulators and lawmakers were currently employed in the mining industry. They were in positions ranging from lobbyist or consultant to senior executive. This included dozens working for coal companies with some of the worst safety records in the mining industry.

In Canada, former Conservative cabinet minister Chuck Strahl stepped down from his position as a government-

appointed watchdog over the Canadian Security Intelligence Service (CSIS) after it emerged he was also a registered lobbyist for Enbridge, whose controversial Northern Gateway Pipeline faces significant community resistance. There have been recent revelations that CSIS and the RCMP have been spying on opponents to the Enbridge project and other pipelines.

### Power through corporate branding

For mining companies, producing a positive corporate image nationally and globally is as important as producing iron or nickel. Mining companies link themselves to prestigious global institutions, hoping to wrap themselves in an aura of benevolence. The companies have carried out *greenwashing* with their adoption of *sustainability* as a watchword and their talk of adherence to "environmental bottom lines."

The UN Global Compact provides a tool for "bluwashing," which refers to the colour that identifies the multilateral body. Announced at the World Economic Forum in 1999 by then-UN Secretary-General Kofi Annan, the Global Compact serves to legitimize big corporations through their association with UN principles of sustainability and social responsibility covering areas of rights, anti-corruption, environment and labour.

The International Council on Mining and Metals and the International Organization for Standardization play similar branding roles. Compliance with the Global Reporting

Initiative, through which corporations publish annual reports on their application of all of these principles, enhances credibility and maintains the fiction of effective self-regulation. The companies project themselves as globally responsible players through glossy in-house publications with no third-party verification of the contents.

The branding also happens at national and local levels. Rather than exercising corporate citizenship by paying royalties or taxes, which would help governments build infrastructure and implement social programs, mining companies fight for tax breaks. Then they project themselves as good corporate citizens through high profile and inexpensive CSR programs and philanthropy. These can be schools, clinics and sports events close to the mine, or highly visible social and cultural institutions at the national level.

The accounts of rape and pillage at Barrick operations in Tanzania and Papua New Guinea, and of how governments in Chile and Argentina have finally reined in the company's high-risk plans to move glaciers in the Andes, rarely make the news. In Canada, Barrick's image is carefully tied to the philanthropy of its founding president, visible in the Peter Munk Cardiac Centre at the Toronto General Hospital, and the splendidly refurbished heritage building housing the Munk School of Global Affairs at the University of Toronto.

The Royal Ontario Museum recently opened a Barrick Gold Gallery, which joins an existing Vale Earth Gallery. The museum plans extensive programming in both, to introduce school children to the importance of mining. If only the children living near Barrick's gold mines in Tanzania or Vale's coal mines in Mozambique could mount an exhibit with their stories and drawings about mining.

## New federal CSR counsellor an “industry man,” says MiningWatch

On Sunday, March 1, International Trade Minister Ed Fast announced the appointment of a new federal corporate social responsibility (CSR) counsellor for the extractive sector. The post had been empty since the last counsellor left quietly in October 2013, before the end of her contract.

The new counsellor, Jeffrey Davidson, has a long history of working for mining companies, from Placer Dome to Rio Tinto, including a stint at the World Bank. But like the first CSR counsellor, Marketa Evans, he will be working under a misguided mandate, focused more on trying to stem opposition to mining at Canadian mining sites around the world than on holding Canadian companies to account for the damage they cause, to people and the environment, and ensuring that people who are harmed are provided fair remedy.

“We are waiting to see the details of the CSR counsellor’s new order-in-council mandate,” says Catherine Coumans of MiningWatch Canada, “but the broad statements out of the government to date indicate that this office will continue to not even address, in any meaningful way, some very serious problems.”

MiningWatch Canada and the Canadian Network on Corporate Accountability have called for the creation of an extractive sector ombudsman with the power to respond to complaints, by conducting independent investigations of a company’s behaviour overseas, and to report on the findings. The ombudsman would also have the power to recommend remedy, in cases where it has been found that companies have breached established guidelines and caused harm to complainants, and to recommend that Canadian

government financial and political support be withheld.

The government’s revised CSR strategy, released in November, does not address the need that many complainants have expressed for independent investigations and public reporting to substantiate the facts of their complaints and form the basis of remedy. Furthermore, although the revised CSR strategy recognizes the government has the power to withhold significant support provided to Canadian extractives companies operating overseas, through “economic diplomacy,” and financing by Crown corporations like Export Development Canada (EDC) and the Canadian Commercial Corporation (CCC), the government will only do so in cases where companies refuse to participate “in the dialogue facilitation processes of Canada’s NCP [national contact point for the OECD Guidelines] and Office of the Extractive Sector CSR Counsellor.”

“There is no indication that the government is even considering withholding financial and political support to companies that have breached human rights and environmental standards, or caused harm, or refuse to provide or subject themselves to fair remedy,” says Coumans.

Although the CSR office continued to cost the government money (\$181,600 in 2014), even without a counsellor at the helm, there is no evidence it did any work. Even the closing report on a complaint against New Gold Inc. in Cerro de San Pedro, Mexico, which was the previous CSR counsellor was supposedly working on when she left office, has not been completed.

—From a MiningWatch Canada press statement, March 3, 2015.

## Mining megaprojects and national development

A typical mining operation today, whether physically isolated, with “fly in, fly out” operations, or located in a sparsely populated hinterland, under-resourced rural town or an Aboriginal hunting and fishing territory, takes on the characteristics of an enclave. The mining company is basically self-sufficient, operating on a scale vastly superior to its local context, bringing in everything from construction materials to giant equipment, from food to a labour force. Some hire their own private security. In many countries, these arrangements are sanctioned by an elite posing as arbiters of national sovereignty, prepared to legitimize the autonomy of the mining enclave in return for a piece of the action, sometimes openly, sometimes under the table.

A dual process is taking place with the megaproject enclaves: they

destroy *national* economic spaces while constructing new global ones. These *global* spaces are not based on territories and national boundaries, but on flows and flexibility: hallmarks of neoliberalism. Giant transnationals and networks of small contractors and subcontractors are fully articulated in a global flow, or chain, that spans continents to create a powerful new borderless instrument for wielding power.

Mining companies operate in these new global spaces with a staggering sense of entitlement. They actually identify “resource nationalism” as the greatest threat to “their rights and profits.”

The 2012 and 2013 annual reports on major risks facing the mining industry, prepared by business advisory service Ernst & Young, mentions four ways that states exercise resource nationalism: government ownership, increased taxes and royalties, import/export restrictions, and mining law reform. Other corporate law firms take a broader view to include

performance requirements such as local sourcing of goods and services, local hiring, and “mandatory beneficiation” involving in-country processing.

In other words, the very policies on mining that workers, communities and concerned citizens are pressuring our governments to adopt are considered the biggest threats to the industry. Governments exercising wise stewardship over their non-replenishable natural resources are denounced and attacked with all the tools these powerful mining companies have at their command.

## Workers and communities challenging the power of big mining

Having mapped how contemporary mining companies gain, exercise and legitimize their power, we can better analyze points of leverage for contesting them.

Mining companies operate globally. We also need to go global, building

networks linking those affected by particular mining companies on multiple continents. This means building mechanisms to share information, strategies, common actions and mutual solidarity. Networks linking only communities or only environmentalists or only trade unionists have limited effectiveness, given the multi-faceted operations of big mining.

The International Articulation of those Affected by Vale, created in 2010, has been working to invent new ways to operate globally. Its founding meeting included delegates from 14 countries. Members now include popular movements fighting against land grabs and insecure employment, trade unionists, rights and environmental activists, academics, public policy advocates and faith groups in multiple countries. The network has come to understand that counter-information strategies are urgently needed. Voices from the mining regions themselves need to be heard globally to counter the dubious veracity of company statements.

In Vale's sustainability reports, for example, the two forced resettlement communities built in Mozambique are presented as models of excellence. Yet for the families forced off their land to make way for the open pits the relocation has been a nightmare of broken promises by Vale and their government. Five years after the forced removals, issues of land, water, electricity and compensation are still unresolved. The sub-standard resettlement houses began to crumble after the first rainy season. With neither Vale nor the Mozambican government prepared to resolve their problems, in 2012 the resettlers blocked the railway line carrying coal to the port in Beira. The problems and the protests continue.

The International Articulation of those Affected by Vale published a *Vale Unsustainability Report* in 2012 to counter Vale's assertions. The graphical format and reporting categories were similar to those in the company's sustainability reports but the contents included testimonies from workers and communities negatively affected. The network also succeeded in having Vale voted "Worst Company in the World" that year at the Public Eye Award, which takes place annually alongside the World Economic Forum in Davos. In 2013, the group Protest Barrick produced a similar counter-report, *Debunking Barrick*, and the strategy is becoming important for other global networks.

Specific shareholders can be targeted, including churches, universities and public sector employee pension funds. Shareholders become anxious when the distance between corporate image and raw reality is exposed to public scrutiny.

The Bench Marks Foundation in South Africa, which grew out of the church-supported divestment campaigns during apartheid, works effectively at two levels to document these gaps. First, it researches corporate policy statements and publicity material to establish the benchmarks the company has set for itself. Some time later, Bench Marks carries out a second study measuring the gap between the company's policies and its actual practices.

A few weeks before the police massacre of 34 striking mine workers at Marikana, South Africa, Bench Marks had released a document measuring the shocking distance between the Lonmin platinum mining company's promises and the actual working and living conditions of the miners: housed in miserable shacks, still on short-term migrant labour contracts, and now vilified for "disturbing investor

confidence" by striking for a living wage.

The other Bench Marks strategy is to work with local community members, ensuring that youth and women, and workers in the mining communities, get to tell their own stories about the impact of the mining company. Community monitors do interviews, take photos, make podcasts, and then share their stories with other communities online. They cease to be just victims of mining and become protagonists themselves.

There is a range of other strategies being employed throughout the world to get at the power of big mining. These include popular or peoples' tribunals, global campaigns to end corporate impunity, and campaigns against trade agreements. They intersect with campaigns on water and climate change, or to expand the global commons, and campaigns around international financial institutions and human rights violations. All of us are challenged to connect the dots, showing how mining is related to land grabs, poverty and social exclusion, financial speculation, conspicuous consumption, throw-away cultures and corporate greed, all of which highlight the need to transform the prevailing global system and protect our planet.

There are times, in the collaboration of the International Articulation of those Affected by Vale, when the battle lines with mining companies, and the need to resist, are revealed with startling clarity. One of these moments came through a letter from a Brazilian lay missionary who had participated in a network event in Brazil before going to teach at a mission school in Mozambique.

Several months after his arrival in Nampula, the missionary told the network that peasant farmers were reporting being visited by strangers at their farms. These people were measuring land, asking about crops, and requesting figures on yearly earnings. The strangers asked the farmers for identity documents, which they later returned with a payment and a receipt for signature.

The payer was Vale Mozambique. The farmers were excited because the strangers had given them more than their previous year's earning, failing to grasp that they had also just lost their land to a powerful mining company.

Many of us in the movement of people affected by Vale replied to the lay missionary to express our indignation. Didi Travesso, a much-loved and recently deceased Brazilian union leader from CSP-Conlutas, replied almost in poetry:


*They move about as if they own the earth...*

*With receipts and whatever else they need to demonstrate that they lord it over every level, above ground and sub-soil, from one end to the other of our lives.*

*They conjugate verbs like divide, profit, possess, command. As for us?*

*We respond with verbs like unite, share, resist, dream.*

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*Judith Marshall is a global activist who has worked and studied in New York, Ghana, Holland and Mozambique. She recently retired after 20 years as a labour educator with the Steelworkers Humanity Fund. During those years, she travelled extensively in Africa and Latin America to co-ordinate project support for those affected by transnational mining companies. This article is abridged from a chapter in State of Power 2015, a report of the Transnational Institute. The illustrations by Margie Adam are taken from the same report.* 



## Canada and the U.S. go digging for regime change

By Asad Ismi

U.S. hostility towards Venezuela reached absurd heights in March amidst accusations both Ottawa and Washington are supporting local efforts to overthrow the popularly elected socialist government of Nicolás Maduro. On March 9, U.S. President Barack Obama signed an executive order “declaring a national emergency with respect to the unusual and extraordinary threat to the national security and foreign policy of the United States posed by the situation in Venezuela.” This strange step allowed the president to impose sanctions with the ostensible aim of “protecting the U.S. financial system from the illicit financial flows from public corruption in Venezuela.”

But as one State Department official tweeted afterwards, “The goal of these sanctions is to persuade the government of Venezuela to change its ways.” Obama banned seven Venezuelan officials from the U.S. for “human rights violations and corruption” and ordered their assets frozen. He did not provide any evidence to back up the allegations, or explain how these people posed a threat to U.S. security.

“This is ludicrous. Is Obama insane?” wondered Venezuelan-Canadian sociologist Dr. Maria Páez Victor in an interview. “How can Venezuela, with an army of 140,000 soldiers, be a national security threat to the U.S., the biggest imperialist state in the world, with an army of two million, 10,000 nuclear missiles and 700 military bases globally?” She added that the U.S. has been implicated in two coup attempts in Venezuela, and of fomenting violence in the country for the past 15 years. “Obviously it is the U.S. which is a massive security threat to Venezuela.”

With these new sanctions against officials in the Maduro government, Obama’s economic war against Venezuela looks similar to the one being waged against Russia. According to Páez Victor, the connection is oil, more specifically the desire to control it. Venezuela is the fourth-largest exporter of oil to the U.S. As in Russia, declining crude prices—oil makes up 95% of Venezuelan exports—have contributed to the country’s recession,

which is made worse by political and economic instability fomented by right-wing groups pushing for regime change. Obama’s executive order is designed to contribute to the unrest.

Unfortunately, for the U.S. and Venezuelan opposition groups, it looks to be having the opposite effect, by shoring up support for Maduro domestically and among his regional counterparts. The Union of South American Nations (UNASUR), which represents 12 Latin American countries, immediately demanded that the U.S. revoke the sanctions as “a threat to sovereignty and the principle of non-intervention in the internal affairs of other states.”

“Those people who doubted before that the U.S. was conspiring against [Maduro] now believe it, and all the countries of the region and the world have declared themselves in support of Venezuela except the U.S. and Canada,” said Páez Victor. On March 12, the Venezuelan national assembly granted Maduro temporary powers to rule by decree in these six months leading up to national elections, which he is expected to win.

Obama’s designation of Venezuela as a national security threat is even more ridiculous if Maduro’s allegations are true that the U.S., along with Canada and the U.K., backed another attempted coup against his government in February. It would prove, again, the threats run one way—from Washington.

The Maduro government announced on February 12 it had stopped an attempted coup involving Venezuelan Air Force officers in league with the U.S. government and members of the right-wing Venezuelan opposition. Ten people, including civilians and members of the military, were detained. One of those arrested was Antonio Ledezma, mayor of Caracas. The alleged coup plotters are said to have planned to bomb the presidential palace, the national assembly and the headquarters of Telesur (Television of the South).

As reported by Telesur, Diosdado Cabello, president of Venezuela’s national assembly, stated in mid-February that,

“a member of the Royal Canadian Mounted Police, and a member of the U.K. diplomatic corps in Venezuela, had been involved in [coup] plans, including seeking information on airport capacity in case of emergencies.” Cabello named Nancy Birbeck as the RCMP officer, who was allegedly accompanied by someone from the Canadian Embassy. The embassy denied the allegations in a tweet—the only official response to the crisis situation.

Páez Victor was surprised to learn that, as she put it, “in the midst of the tension of an attempted coup, an RCMP officer of the Canadian embassy took it upon herself to ‘inspect’ an airport for its readiness in an emergency.” She said she is not surprised, however, that the Venezuelan government interpreted this as proof that Canada was either involved with, or had prior knowledge of, the alleged coup.

Canadian support for coups in Latin America and the Caribbean, while spanning Liberal and Conservative governments, has been on the rise under Prime Minister Harper, as has Canadian hostility to the Chavez and Maduro administrations—Harper called Venezuela a “rogue state” in 2009—and the alignment of Canadian and U.S. foreign policy generally. Canada supported the coups in Honduras (2009) and Paraguay (2012), and it is well documented how Ottawa played a central role, with Washington, Paris and London, in planning of the 2004 coup against the Aristide government in Haiti.

In February 2010, the Chavez government accused Canada of supporting coup plotters and destabilizers in Venezuela. Prominent among them was Venezuelan opposition politician María Corina Machado, who refers to Maduro as a dictator, and who was one of the leaders in last year’s violent protests against the Venezuelan government, in which 43 people were killed and 800 injured. The U.S. National Endowment for Democracy (NED) and the U.S. Agency for International Development (USAID) have channelled millions of dollars to Machado’s (now defunct) non-

governmental organization, Súmate, as well as to her electoral campaigns. She outright supported the 2002 coup and is implicated in the alleged February reprisal.

The Canadian government also funded Súmate as far back as 2005, the year Machado was first invited to Ottawa to brief the Department of Foreign Affairs on the human rights situation in Venezuela. As reported last June in the *CCPA Monitor*, Machado was granted a private meeting in Ottawa last year with John Baird, then Canada's minister of foreign affairs, suggesting a continued relationship with "this terrorist," in the words of Páez Victor.

"This is a woman that if she were Canadian would now be in prison here," she added during our conversation. José Vicente Rangel, Venezuela's former foreign minister, announced in July 2014 that the Canadian embassy had helped about 30 agents of an unnamed "important intelligence organization" enter Venezuela, a charge Ottawa denied.

Yves Engler, author of the *The Black Book of Canadian Foreign Policy* (2009) and *The Ugly Canadian: Stephen Harper's Foreign Policy* (2012), told me, "The Canadian government has definitely made it clear that it is antagonistic to the government in Venezuela and the revolutionary process more generally. It has also spent money building up oppositional groups and Ben Rowsell, who was appointed ambassador in 2014, was viewed as someone who was likely to be active in campaigns against the elected government."

Rowswell is a specialist in social media and political transition. As Gerard Di Trolio explained in his March 2014 article for the *Venezuela Analysis* website, "While overseeing the 'democratic transitions' of Afghanistan, Iraq, and Egypt, the fledgling attaché specialized in the harnessing of social media for diplomatic missions, in order to interact directly with non-state actors, in effect bypassing the target nation's government."

Rowswell believes that social media can create transparency. His Twitter presence feels humourously at odds with the Canadian government that employs him. While leaked documents suggest the RCMP and CSIS are monitoring protest movements in Canada for their potential threat to the government's economic priorities, Rowsell tweets continuously about how social movements can successfully promote change. They include links to articles assessing the strengths and weaknesses of Idle No More's online presence.

But transparency has limits when regime change is your ultimate objective. As Di Trolio pointed out, Venezuela's opposition has posted photos from Turkey, Ukraine, Brazil and Syria to social media networks, pretending the harsh treatment of protestors by official security forces that they showed were actually from Venezuela.

## Geopolitical interests in Venezuela

Engler emphasized that Ottawa is aligning its policy towards Venezuela with that of Washington's but not only for U.S. interests. Parts of the Canadian business class strongly oppose the progressive social changes that have taken place in Venezuela, and Latin America more broadly, over the past 15 years.

Peter Munk, the founder of Toronto-based Barrick Gold (the biggest gold mining company in the world with operations in Peru, Chile and Argentina), once compared Chavez to Hitler in a letter to the *Financial Times*, and frequently decries

growing "resource nationalism" in presentations to company shareholders and board members.

Canada's objectives in the region are intimately connected with those of Munk and his colleagues in Canada's oil, gas and mining industries. In fact, as Páez Victor suggested, Harper's "political career seems to centre on advancing the interests of Canadian mining and petroleum companies."

Venezuela's move to the left, and away from the U.S., has involved the nationalization and/or tighter regulation of key extractive operations, some of them owned by Canadian firms. Maduro is also courting China, whose investors have extended US\$50 billion since 2007 in exchange for guaranteed oil shipments. A country taking control of its resources is anathema to neoliberal regimes in Ottawa and Washington, not to mention the powerful international extractives lobby.

Outside of direct assistance to opposition groups, the Canadian government's main tool for undermining resource nationalism in Latin America are investment treaties and free trade agreements, which allow mining companies to penalize governments that change their mind about energy or mining projects, even for social or environmental reasons. (See Judith Marshall's article in this issue.)

Canadian-listed gold miners Crystallex, Vanessa Ventures, Gold Reserve and Rusuro Mining sued Venezuela, in separate cases under a 1998 Foreign Investment Protection Agreement (FIPA) with Canada, when their projects were affected by Chavez's nationalization of all gold mines in 2011. Late last year, an arbitration panel at the International Center for Settlement of Investment Disputes awarded Gold Reserve more than US\$700 million (plus legal fees) in compensation.

Venezuela has withdrawn from the ICSID convention and is cancelling its investment treaties, but, as is normal with these treaties, the FIPA remains in force for fifteen years after the date of cancellation. The pressure will be on future Venezuelan governments to reverse this policy direction.

Gold Reserve's victory will no doubt inspire Canadian and U.S. mining companies to continue to use investor-state arbitration, or the threat of it, to get their way in the region. It is also a feather in the Harper government's cap, as it seeks to position Canada as an energy and mining superpower. The message to miners is that Canadian treaties are strong enough to protect investment from left-of-centre regimes, and that Canada's embassies will be working hard, where necessary, to make those regimes more amenable to foreign investment.

"The joining of Canadian policy with that of the U.S. and Ottawa's aggressive stance towards the Chavez and Maduro governments is a real shame, because Canadian used to be well regarded internationally and in Latin America. No more," said Páez Victor. "Canada is now seen as an agent of U.S. imperialism in Latin America which has isolated it in the region and significantly curtailed its influence."

Despite the Canadian government's hostility to Maduro, the new Venezuelan ambassador to Canada, Wilmer Barrientos Fernandez, told me, "We would love to work with the Canadian people towards a close relationship on the basis of respect, of true democracy, and of non-interference in each other's internal affairs."

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Asad Ismi covers international affairs for the Monitor. 

## Envisaging a People's Senate

By Helen Forsey

*With the Mike Duffy trial beginning this month, we can expect proponents of Senate abolition and other constitutionally difficult reforms to be out in force. Helen Forsey believes there is a better choice, one that requires no constitutional change. Her forthcoming book, A People's Senate for Canada – Not a Pipe Dream (Fernwood), makes the case for why our democracy needs an Upper House, examines what has gone wrong with the one we have, and proposes how the people could start right now to create a workable and desirable alternative. In the following excerpt, Forsey describes what that People's Senate would look like, and what it could do for our beleaguered country.*

What if we had a Senate that was independent of the maneuverings of party politics, truly committed to sober second thought and dedicated to the common good? What if Senate appointments dependably incorporated experience, integrity and creativity, and flowed from a participatory process based on merit, devoid of partisanship and reflective of our country's diversity? What if senators were able to fully devote themselves to their proper legislative and investigative work, protecting our democracy, co-operating wherever possible, free of party control or electoral worries, and financially accountable to the auditor general?

Stop the eye-rolling. If Canadians get behind this idea, we can make it happen.

What would such a People's Senate look like? Its members would be women and men of diverse cultures and perspectives, from every part of the country. They would come from all sorts of backgrounds and many walks of life: teachers, trade unionists, homemakers, artists, shopkeepers, co-op managers, farmers and more. Some would have experience in electoral politics and policy-making at different levels of government, others would come from the grassroots of civil society. Compassion, competence and community service would be key qualifications for a Senate seat, together with a critical mind and the courage to stand up and speak out



Photo: © Saffron Blaze

on important questions.

Most of the new senators would have made their mark, not on the national stage but within their own localities and regions. They would include many who have never been part of the establishment or partook of privilege: a human rights activist from Toronto's Jamaican community; the president of an inshore fishery co-operative in outport Newfoundland; a gay singer-songwriter and food security activist from Quebec's Bas St-Laurent; a single mother and Idle No More activist from a Prairie First Nation; a recently retired whistleblower scientist; a municipal councillor from Iqaluit; a paraplegic Acadian priest; a public health worker on Vancouver's Lower Eastside. There would be no shortage of remarkable, responsible, highly capable men and women to be named to the people's Red Chamber.

Relatively few of these notable individuals would be politicians or active party people (preferably in any sense of the term!) and many would have deliberately steered clear of "politics" in its partisan form. They would keep this non-partisan focus in their Senate work, building co-operation and supporting policies and people on their merits, regardless of party affiliations. Those

involved with a political party would give up their formal partisan activities.

That is not to condemn political parties or suggest that they have no part to play in our parliamentary system. But party politics predominate in the House of Commons, and there is a need to balance that with a different emphasis in the Upper House. The People's Senate would complement and enhance the work done by the elected House, providing our legislative process with the kind of independent sober second thought that is non-partisan and connected to the grassroots. Indeed, the Supreme Court has cited this impartial and complementary role as a vital part of the Senate's original purpose.

How would the People's Senate actually work? It would retain the Senate's present constitutional mandate, and continue to carry out its three main functions: legislative, investigative and protective. But it would be able to do so much more effectively and democratically, without the hindrances that have plagued the institution for years. Its functioning would reflect three essential differences from the way the Senate works now.

First, the quality of the women and men chosen to sit in the Upper House would be consistently high. A citizen-

based pre-appointment process would seek and identify individuals worthy of the honour and ready and able to do the work involved. The result would be a richly diverse assembly of appointees, reflecting the recognition, by the people of each province and region, of outstanding character and abilities. Internal pressures and lobbying from within corporate or party structures would no longer play any role, eliminating the risk of having party hacks, bagmen, sycophants and big-time donors claiming a Senate seat as reward for services rendered.

This broad-based Red Chamber could no longer be seen as the purview of the elite or a waste of taxpayers' dollars. Salary and pension provisions for its members would permit a person from any economic level to make the commitment involved. Beholden to no one, senators would be able to fully contribute their knowledge and experience to the tasks at hand. Their long-term tenure, independent of parliamentary cycles and election campaigns, would free them to take the longer view necessary for future well-being and planetary survival.

The second major factor in the new Senate's effectiveness would be its deliberate and structured independence from partisan pressures. With party affiliations sidelined, neither the government nor the opposition parties would be able to distort the priorities of the People's Senate, skew or restrict its committee work, or control the voting. Like other citizens, many senators might personally support one party or another in accordance with their political beliefs, but they would not hold office in any party, nor would they fundraise, campaign or represent it in any way. For senatorial purposes they would all be independents both in name and in practice, as my father, the late Eugene Forsey, recommended more than 30 years ago.

Dissent is the lifeblood of a free society, and healthy governing happens when legislators speak and vote according to the merits of a given bill or policy, not simply in obedience to party dictates. While MPs in the House of Commons usually feel obliged to toe their party line, the Senate was deliberately set up to do things differently—to engage in real dialogue on behalf of the citizenry, raising questions, assessing answers, exploring pros and cons, refining points of view, challenging, persuading and finally casting their votes in light of the whole discussion. Unhindered by party discipline, debates in the People's Senate would lead to major improvements in many laws and policies, and could sometimes change the outcome altogether.

The people's senators would take seriously both their mandate of independent sober second thought and the limitations imposed by their unelected status. They would have practical mechanisms and procedures for guiding legislation through the chamber and its committees, structuring debate and getting questions answered. Consequently, governments would still be able to get most bills debated and passed in an orderly fashion without undue delay, with the Senate doing what the Senate at its best has always done—reviewing and, if required, amending and improving the legislation before it becomes law. At the same time, in extreme cases, it could

use its constitutional veto power to force a general election on an exceptionally important issue.

Actual obstruction by the Senate would remain a relative rarity, and so it should. Canadians, including those appointed to the People's Senate, rightly want citizens to have the final say on major issues, normally through our elected representatives in the House of Commons. But voting in the Commons is heavily controlled by the executive government, and may not reflect the view of the electorate, a failure that is currently all too common thanks to our flawed "first past the post" electoral system. So a People's Senate could be a vital instrument for checking abuses of power. If a future government tried to flout the people's will on a crucially important and controversial issue, it would face an Upper House willing, ultimately, to exercise its veto, forestall this betrayal of democracy and hand the power back to the people.

In fact, the Senate has always had that protective role, using its veto power on rare but critical occasions, as it did with the Free Trade bill in 1988. That potential, though, becomes inoperable when the governing party has a majority in both houses and does whatever it can to control how its own party members vote. A People's Senate made up of independents could not be so controlled; it would assess each situation on its merits and act accordingly.

A final difference from the way the Upper House functions now would be the modality of its operations, with its processes being primarily collaborative rather than adversarial and competitive. In the past, the Senate did often function co-operatively, with senators working together across party lines to achieve what they felt was in the public interest. That co-operative modality would be reinforced in the People's Senate by its composition, its independence and its rules of operation.

Naturally, there would continue to be strong disagreements, lively arguments and even stinging debates. But they would take place among thoughtful and conscientious individuals, not competitively between parties. Moreover, as in consensus-style models of decision-making, the shared purpose would be to search for truth and reach agreement, not to exert control, compete for points, or defeat those with different views.

Competition may have a role to play in politics, although "outside the box" thinkers like Alfie Kohn offer a compelling critical view of the damaging effects of competition in practically every aspect of society. Kohn argues that, far from ensuring productivity and building character, the focus on competitiveness subverts our values and warps our institutions. But whatever its flaws, competition is likely to persist, especially in the context of elections.

In the People's Senate, however, rather than opposing sides striving for dominance, the sense would be more that of a circle—a recurring image in feminist culture as well as in many Indigenous traditions. Circles offer an alternative to the oppositional "either/or" models that underlie so much of Western patriarchal thought and practice. Round dances, talking circles, healing circles, medicine wheels—all these are very different from football games, criminal court, the

**If a future government tried to flout the people's will on a crucial issue, it would face an Upper House willing, ultimately, to exercise its veto, forestall this betrayal of democracy and hand the power back to the people.**

“war on drugs” or Question Period in the House of Commons!

What could the People’s Senate do for Canada? In a country where many citizens have effectively given up on Parliament and politics in general, a reconfigured Senate could play a key role in reshaping our democracy and restoring our faith in it. Constitutionally, the Upper House already has the power to do a great deal, but it is hamstrung by partisanship and Machiavellian manoeuvring. The People’s Senate would be free of those constraints. Here are a few examples of what it would be able to do for us:

- Omnibus bills—Instead of being bamboozled by the executive government into passing huge “omnibus bills” with outrageous provisions hidden in their hundreds of pages, the People’s Senate could demand that the legislation be broken down into separate bills so as to give each one the serious attention needed for it to be passed, amended or rejected.
- Electoral reform—The People’s Senate could develop and introduce, after comprehensive nationwide consultation and hearings, a bill to replace our present undemocratic “first past the post” electoral system with one that would reflect the popular vote (some form of proportional representation, preferential ballot, etc.).
- Committee hearings and witnesses—Instead of allowing partisan interests to silence dissent by keeping particular witnesses or testimony out of hearings on legislation or other public issues, the people’s senators could counteract the restrictions on public participation, ensuring that all relevant voices are heard and many not-so-obvious potential consequences examined.
- Curbing executive power—A Senate veto is one of the few remaining mechanisms capable of acting as a check on the power of the executive government—essentially the Cabinet, the Prime Minister and the PMO. If a majority government railroaded highly controversial legislation through the Commons in the face of widespread public dissent, an independent People’s Senate could block the bill, forcing the government to drop it, negotiate needed changes

or, if all else failed, put the issue to the public in an election.

- Investigations—The people’s senators could strengthen the “royal commission” role of the Upper House in conducting investigations into crucial, complex and controversial public issues such as climate change or the murder and disappearance of Aboriginal women.
- Our children’s future—The People’s Senate could actively defend the environment by investigating and publicizing problems and initiating legislation to strengthen and enforce long-term environmental protection. It could also expose and block any legislative measures that would subordinate human and planetary well-being to vested interests or the dictates of the market economy.
- Regional and minority interests—The People’s Senate could continue the tradition of the Upper House in this regard, highlighting the human rights implications of legislation and policies, and defending other important causes that may be seen as of marginal interest to most voters (e.g., farm marketing systems, the rights of refugees or Aboriginal people, services in remote communities, fisheries management, etc.).
- Public institutions—Instead of remaining compliant or powerless in the face of the evisceration of vital national institutions like Library and Archives Canada and the CBC, the People’s Senate could expose and combat destructive policies like defunding and privatization. If implementing legislation or budgetary measures were involved, it could object to passing them. It could also offer a fair hearing to whistleblowers or other public servants who incur the government’s disfavour.
- International agreements—The People’s Senate could explore options for limiting the power of the Cabinet to ratify binding international agreements, such as today’s “next generation” trade and investment

treaties, without Parliament’s approval.

- Prorogation—A People’s Senate could push for a change in the conventional procedure for prorogation, so that the elected House of Commons would have to agree to the shutdown by a formal vote. Never again must a prime minister be allowed to do what Stephen Harper did in December 2008—convince the governor general to suspend Parliament to prevent it from voting him out of office.

**In a country where many citizens have effectively given up on Parliament and politics in general, a reconfigured Senate could play a key role in reshaping our democracy and restoring our faith in it.**


These are just some of the ways in which the People’s Senate, liberated from partisan control, could effectively carry out its established mandate: independent work on legis-

lation, in-depth investigation of public issues, and protection of the people from government and corporate abuse. In the process, the renewed Upper House would provide greatly increased access for citizens to formally challenge policies and programs, to propose alternatives and to have them taken seriously. It would also be a place where creative initiatives could be brought forward that might never otherwise get a proper hearing on Parliament Hill.

Our reborn Senate, responsive to the people and unencumbered by partisanship, would be able and willing, in Eugene Forsey’s words, to “do much good,” while remaining “politically too weak to do any serious harm.” Combining its qualities of independence, continuity, experience and responsibility with a healthy awareness of its limitations as an unelected body, it would be an integral element in how we govern ourselves, functioning as a necessary and effective complement to the House of Commons, as the Supreme Court has insisted it should.

This is no pipe dream: it can be done—and without opening the Pandora’s Box of constitutional change. So let’s get at it.

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*Helen Forsey is a writer-activist and the daughter of the late labour researcher and constitutional expert, Senator Eugene Forsey. She is based in rural Eastern Ontario and Newfoundland’s Avalon Peninsula.* 

# Canada's invasive "Financial War Against Terror"

By Matthew Behrens

A recent run-of-the-mill telemarketing call from one of Canada's largest credit companies took on a threatening tone. Who knew that owning a credit card, purchases on which produced redeemable points for free groceries, also entailed an insidious tradeoff that invaded our privacy and left a chilling aftertaste?

Informed that failure to answer certain questions would result in forfeiture of the card, I resigned myself to 10 minutes of wasted time. Following the usual gobbledygook about disclosure, I was asked if anyone in my immediate and extended family had ever "held one of the following offices or positions in or on behalf of a foreign country: a head of state or government; a member of the executive council of government or member of a legislature; a deputy minister (or equivalent); an ambassador or an ambassador's attaché or counsellor; a military general (or higher rank); a president of a state-owned company or bank; a head of a government agency; a judge; or a leader or president of a political party in a legislature."

The question was chilling, for though I could honestly answer no, whose business was it to ask? It concerned me that immigrants might be flagged if they answered affirmatively, and perhaps asked further questions about their relationship to, for example, overseas political parties that the Canadian government deemed unsavoury.

Recovering my composure, I asked to speak with a supervisor, who informed me that "like any financial institution in Canada we are required by law to collect this information," and that the answers would have no effect on my credit rating. If that were the case, I pressed, why were they asking these personal questions, and with whom were they sharing the answers?

The answer was eerie: the company needed to determine, on behalf of the federal government, whether I or any family member would be what's known as a "politically exposed foreign person." But how did they determine who, of their 1.5 million cardholders, to call? The Canadian government, the supervisor explained (in the same tone he'd adopt if he were going over car giveaway contest rules), provides

the company a list of cardholders to question.

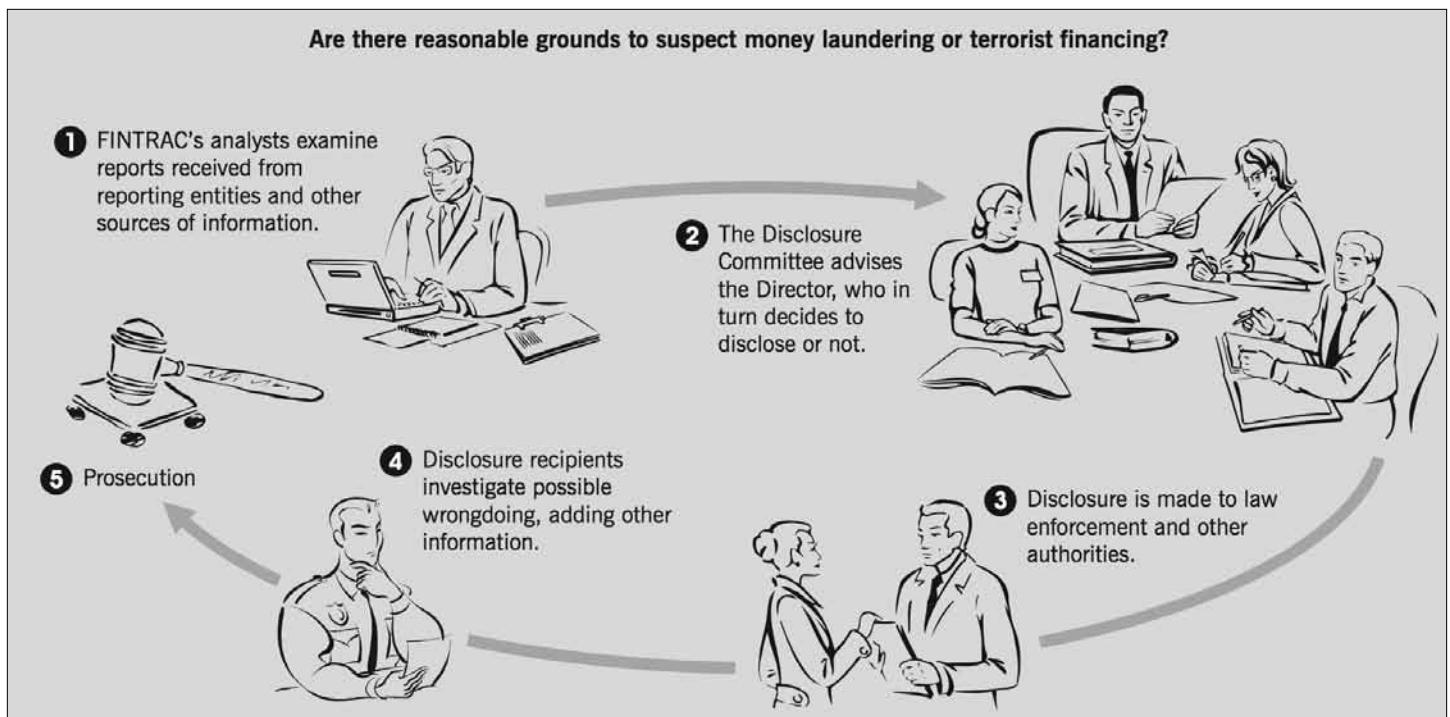
"They tell us, 'We need you people to read these cardholders this legal disclosure, get a clear yes or no at the end of it, and tell us once you've had it updated.' We make a note on the account that it has been done. We pull the information and send it to the government."

When I asked to see the company's policy with respect to any mandate to undertake investigative work on behalf of the government, I was told, "Anything about our internal policy for generating accounts that we will ask questions along those lines is internal policy and unfortunately nobody's going to be able to disclose that information to you."

The supervisor asked if there was "anything else we can do for you today," but I hung up the phone.

## FINTRAC at 15

An Internet search employing language from my questioning led me to the source of this disturbing call: the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), a measure passed in 2000 by the Chretien



FINTRAC at work: From the 2004 November Report of the Auditor General of Canada.

Liberals that created the Financial Transactions and Reports Analysis Centre (FINTRAC), a “financial intelligence” unit that sounded about as threatening as an actuarial table.

Since FINTRAC’s mission is “detection and deterrence of money laundering and terrorist financing,” it appeared that the calls my credit card company was making played into the tiresome trope that terrorism is imported with immigrants to Canada. Nevertheless, since June 2008, according to the FINTRAC website, “financial entities, securities dealers, money services businesses and life insurance companies, brokers and agents have to determine if their clients are politically exposed foreign persons.”

While the suite of “anti-terror” measures introduced in 2001 drew far more attention, with the understandably frightening prospect of preventative detention and secret investigatory hearings, FINTRAC’s mandate and practice quietly touch just about every resident of the country. As of March 2012, FINTRAC’s databases were home to some 165 million reports containing personal information on Canadian residents.

According to Canada’s privacy commissioner, “These reports might include transactions such as, but not limited to, down payments for house and vehicle purchases, wire transfers received by international students residing in Canada, or funds sent by parents in Canada to children who are studying abroad.”

FINTRAC’s enabling legislation requires some 300,000 entities—everything from casinos, accountants and banks to life insurance companies, real estate firms and dealers in precious metals and stones—to collect and hold personal client information that is transmitted to FINTRAC, often without the knowledge or consent of the individual. In 2006, amendments to the act enabled FINTRAC to share even more such personal information with law enforcement and security agencies, the Canada Revenue Agency (CRA), and the Canada Border Services Agency (CBSA). The Senate standing committee on national security heard last December that FINTRAC made 1,143 disclosures to law enforcement agencies in 2013-14, a 25% increase over the previous reporting year. Of those, 234 were allegedly connected to terrorist financing.

Reporting the transfer of large amounts of money—any cross-border movement equal to or greater than \$10,000 must be reported to FINTRAC—is likely to ensnare a lot of people with perfectly legitimate reasons who will nonetheless risk the stain of suspicion. For example, a group of Canadian Muslims attending the Mecca pilgrimage may have entrusted such amounts of cash to their group leader, whose name will be duly reported from the airport before departure. When that information is shared with other government agencies, will it lead to future airport shakedowns, either at home or in an overseas point of entry?

### **Casting a wide net**

It would appear, however, that no amount of money is too small to trigger what is known as a “suspicious transaction report (STR),” the measure by which a bank or real estate

agent, in playing the role of community cop, lets FINTRAC know something may be amiss.

In her 2013 audit of FINTRAC, former federal privacy commissioner Jennifer Stoddart found numerous STRs “where there were no reasonable grounds to suspect money laundering or terrorist financing activities.” One young professional who purchased three bank drafts worth \$100,000 was reported because “the amount of money simply did not match his age,” while a shopkeeper who deposited into a bank account a grand total of \$570 in 100, 50, 20 and 10 dollar bills was similarly reported, though with no explanation.

Confusion over financial regulations and unclear reporting requirements has led some entities to over-report in an abundance of caution. One lawyer felt compelled to turn in his long-time client because he was unsure whether or not to report a home purchase in which the deposit was released directly to the seller instead of the seller’s lawyer.

Two federal inquiries (the O’Connor and Iacobucci Commissions) that critiqued the creation and subsequent sharing of inaccurate and inflammatory information, leading to the overseas detention and torture of four Canadian citizens, are potent reminders of how the free flow of personal information has dire consequences.

Stoddart’s 2009 privacy audit of FINTRAC found exactly those kinds of inflammatory allegations in the agency’s Terrorist Property Reports (TPRs), which allege certain properties in or outside Canada are owned or controlled by terrorists. Almost half of those reports had been filed on the basis of a “possible match” to terrorist listings. Disturbingly, “Where identity could not be confirmed, FINTRAC did not pursue further analysis; however, the information remained in FINTRAC’s database. The practice, by default, was to retain these reports regardless of whether or not there was knowledge, belief, or suspicion of terrorist affiliation.”

In other words, a Muslim cleric who runs a rural summer camp—anonously reported but never confirmed as a terrorist property—stays in a database that is shared with CBSA, CSIS and the RCMP, with utterly predictable consequences for that individual as well as anyone who regularly attends his mosque.

The presumption of guilt and a desire to play spy games, which underlies so much of state security, appears to be affecting decision-making at FINTRAC as well. The privacy commissioner found one instance of this trend when FINTRAC encouraged a financial institution that was unsure what to submit regarding a large cash transaction to send along whatever it felt was important, even if it was excessive.

“FINTRAC acknowledged that although the data in question was information that technically should not be included and would certainly cause problems in regards to privacy, it may be of added value to have additional information on the transaction for intelligence or analytical purposes,” Stoddart wrote. She noted her concern that “a reporting entity could interpret the message conveyed by FINTRAC in the above example as applying to other types of reports and information.” Thus, the compelling rationale

of “intelligence” and “analysis” becomes a one-size-fits-all justification for increased collection and sharing of personal information.

## A growing database

FINTRAC continues to hold extraneous personal information, including Social Insurance Numbers, health card and related medical information, as well as an unknown number of STRs that did not meet the \$10,000 threshold.

In 2013, the privacy commissioner found that FINTRAC’s practice of collecting and retaining such information presents “a significant risk to privacy by making accessible information which should never have been obtained.” This latest finding follows on a 2009 call to destroy extraneous FINTRAC holdings, to which the agency replied it did not have the technological capacity to do so. Since then, they have politely refused this request altogether. Instead, FINTRAC is developing a separate database, allegedly inaccessible to their analysts, to store the information that is supposed to be deleted.

FINTRAC’s self-image as a group of brave number-crunchers playing their part in a world at war is based on the untested assumption that money

is a key driver in terrorism plots. As Tufts University international business professor Ibrahim Warde points out in *The Price of Fear: The Truth Behind the Financial War on Terror*, in a culture that refuses to explore the social and political roots of non-state terrorism, money becomes a default “cause,” even though relatively little is required to conduct a terrorist attack, “and such amounts can easily bypass the formal banking system.”

Given the elastic definition of terror, and the need to produce convictions, minor financial irregularities or petty crime are easily elevated to “terrorist financing” cases, a finding underscored by the 9/11 Commission. Indeed, as author Jonathan Randal points out, the “war against terrorist finances” has “ nabbed few bad guys, ruined many innocents, frozen little hot money, and vastly complicated worldwide banking for the greater glory of a burgeoning American bureaucracy.”

As the collection, retention, and sharing of personal information is set to escalate even further with the Harper government’s new anti-terrorism legislation (C-51), a January 2015 survey found 90% of Canadians had privacy concerns, with 73% saying they feel they

have less protection of their personal information in their daily lives. And the truth is they’re right. Transparency in the digital age is limited to non-existent.

A March 2014 report from University of Toronto researchers found Canadian Internet service providers scored an average 1.5 out of 10 on issues like warrantless provision of information to government authorities, with millions of such requests granted annually to state security agencies.


Ultimately, most Canadians are caught in a conundrum that arises out of financial arrangements we all make to survive in a cruel economy. Indeed, the fine print of my lengthy, previously unread credit card agreement informs me that my “personal information may also be stored, accessed, or used outside of Canada [where it would be] subject to the laws of that jurisdiction.”

In other words, if the information is sitting on a U.S. server or has been shared with the FBI, it then is subject to provisions of the U.S. Patriot Act, under whose mandate a personal credit card donation to an overseas relief agency in a troubled country could cause someone problems crossing the U.S. border.

Meantime, like their brethren in the more clearly identified state security world (i.e., CSIS and the RCMP), FINTRAC seems rather insouciant about its appearance of lawlessness. As the *Ottawa Citizen* reported in March 2014, “Canada’s anti-money laundering agency believes it can legally collect and keep personal information such as social insurance numbers, despite the objections of the federal privacy commissioner.”

While I still do not know why I was flagged by FINTRAC (was it for being outspoken on issues of national security or signing a petition condemning the TD Bank’s closing of bank accounts for customers suspected of Iranian heritage?), it is reasonable to expect that the annoying dinner-hour telemarketing phone calls are sure to get a lot more interesting.

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*Matthew Behrens is a freelance writer and social justice advocate who co-ordinates the Homes not Bombs non-violent direct action network. He has worked closely with the targets of Canadian and U.S. “national security” profiling for many years.* 

## FINTRAC Fast Facts

**What:** Financial Transactions and Reports Analysis Centre (Canada’s “financial intelligence” unit).

**When:** Founded in 2000 under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

**Why:** To “facilitate the detection, prevention and deterrence of money laundering and the financing of terrorist activities, while ensuring the protection of personal information under our control.”

**Annual budget (2013/14):** \$51,704,183

**Employees:** 343

**Entities reporting to FINTRAC:** More than 300,000

**Files held on Canadians:** More than 165 million

**Concerns:** Canada’s privacy commissioner has noted “collection of data where there was no demonstrated need to collect and retain it,” refusal to delete personal, private information in FINTRAC databases that exceeds its mandate, “security procedures not always followed,” “inconsistent data minimization practices,” “quality control lacks privacy component,” “additional work is required to ensure consent is meaningful,” and 50% of recommendations made during a 2009 audit were still not satisfactorily implemented in 2013. *Embassy Magazine* reported in February that FINTRAC is now encouraging “financial institutions to go as far as analyzing their clients’ public social media activity when investigating suspicious transactions.”





## Science and politics

*Bold Scientists: Dispatches from the Battle for Honest Science*

By Michael Riordan

Between the Lines (2014), 240 pages, \$26.95 (paperback)

Reviewed by Frank Bayerl

Some scientists, Michael Riordan writes, turn the trust they are given “into a lucrative trade as experts for hire, paid to convince the rest of us that we have nothing to fear from whatever product or process their benefactor designates,” be it genetic manipulation, smoking, nuclear power, pharmaceuticals, tar sands, or global warming. “Other scientists go about their work with their heads down, wrap themselves in innocence, and deny any responsibility for malignant end uses of their knowledge.” Neither is the subject of his new book.

In *Bold Scientists*, Riordan seeks out people like Henry Lickers, an environmental science officer with the Mohawk Council of Akwesasne. Lickers, a biologist, turned down an academic career, and a chance to work for the Department of Indian and Northern Affairs, to tackle water quality and land use issues complicated by competing national, provincial, foreign (U.S.) and Native jurisdictions. He tries to apply a traditional Mohawk responsibility-based approach to the environment in a larger society that is based on rights.

“So, we’re always in this fight with Canada or the U.S.—over here we’re talking about our responsibility to protect the environment, and over there you’re saying it’s your right to do what you want,” says Lickers. It can’t be an easy fight when you have to deal with a federal government intent on removing any regulatory framework that could get in the way of unrestricted development.

Riordan also speaks with Ann Clark, a scientist who will never become world famous, but who has done pioneering work on sustainable organic farming. The University of Guelph asked Clark to teach its first course on organic agriculture, which led to a full major program in the specialty—the first in Canada.

But after speaking out on the dangers of genetically engineered (GE) crops, Clark found that academic support for the organics program dried up. The university’s dean of agriculture was terminated and the program eventually killed. Today she runs an organic farm in Ontario and continues her research. But her view of science has changed. Instead of seeing it as totally objective, as she was taught, Clark says science is inevitably influenced by one’s personal views: “The questions you ask will predetermine the range of answers you’ll get. They will also influence how you interpret what the results mean.”

In her conversations with Riordan, Clark also makes this observation: “I think we’re too big for our britches. We like to see ourselves as the be-all and end-all in control of everything.” The author develops this theme throughout *Bold Scientists*, contrasting the approach to nature of Francis Bacon, the pioneering 16th century British scientist, with that of Johann Wolfgang von Goethe, the 18th century German writer and polymath.

Bacon believed we could solve all our problems if only we could understand nature then subdue it. This path of analysis and reductionism indeed led to countless advances in knowledge, but it also added to our arrogance, and fostered the attitude that human beings were above nature and could ignore its laws. Goethe, on the other hand, took a holistic view in which humans are not separate and apart from the natural world but embedded in it. This leads to a much humbler attitude and a respect for the big picture, Riordan writes.

It is clearly the latter attitude that is adopted by Anthony Ingraffea, the Cornell University scientist whose work on the environmental impact of shale gas fracking has made him a leading opponent of the practice. “Just because you have a technology and can use it, that doesn’t give you the moral or ethical right to do so,” he tells Riordan, speaking of how he became part of Physicians, Scientists and Engineers for Healthy Energy (PSE). The group has spearheaded public information campaigns in New York State and New Brunswick, where energy companies are trying to convince residents of the benefits of fracking, as they did in Pennsylvania several years ago.

The success of PSE’s campaign, and those of others, can be seen in the fact that New York, New Brunswick, Quebec, and Newfoundland and Labrador have all put moratoriums on fracking pending further study of the issue. “I don’t think the business plans of the oil companies should be our national energy policy,” Ingraffea says, expressing the view that aggressive pursuit of alternative energy sources such as wind, water and solar can solve the energy crisis.

For his final profile in courage, of a scientist bucking the trend in this country of less government involvement in scientific research, Riordan chooses Diane Orihel. She was working at the Freshwater Institute in Winnipeg when she heard the stunning news, in 2012, that the federal government was withdrawing support for the Experimental Lakes Area (ELA), an internationally recognized, decades-old program that has produced important data on acid rain, mercury pollution and toxic algae blooms. Orihel quickly learned how to write a press release, and contacted the Prime Minister and other government ministers, as well as eminent aquatic scientists like David Schindler, in an effort to save the ELA.

Clearly it was not the very modest cost of the program that motivated the government’s decision to shut it down. Schindler suspects it was the fact that data from the ELA showed how lakes polluted with mercury could be remediated, contradicting the position of the oil industry that these lakes are beyond repair (so adding more mercury won’t make any difference). “I think the real problem,” says Schindler, “is we have a bunch of people running science in this country who don’t even know what science is.”

The ELA has been saved, at least for now, thanks to Orihel’s campaign and the intervention of the Ontario and Manitoba governments. But she still views the withdrawal of the federal government as an abdication of its responsibilities. As a result of the experience, Orihel regards our current democracy as non-functional and says the role of science in

Canada is in trouble. She is convinced that scientists have a responsibility to speak out on public policy issues since they are in a position to know the facts, and because other interest groups, such as industry, are always talking.

Through these portraits and others, Riordan makes an example of committed scientists taking bold action, sometimes at great risk to careers and personal lives. Though many of those interviewed confess to frequent moments of despair at where current government policy is heading, they consider it a moral duty to hold on to hope for change.

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## How Canada gets people tortured

### *Guantánamo Diary*

By Mohamedou Ould Slahi

Little, Brown and Company (2015), 432 pages, \$32 (hardcover)

*Reviewed by Matthew Behrens, co-ordinator of Stop Canadian Involvement in Torture*

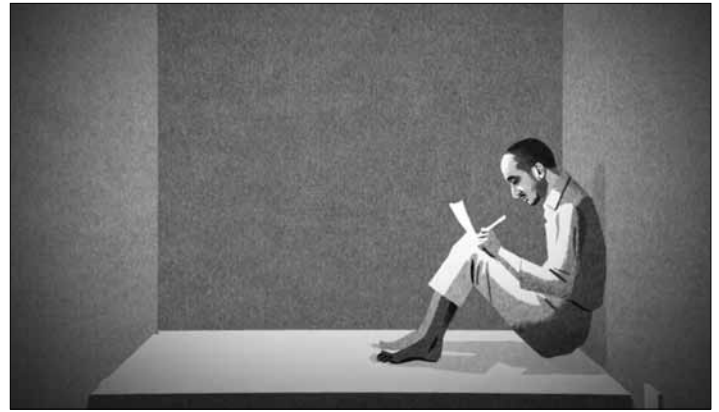
Following December's release of the U.S. Senate report on American complicity in torture, Prime Minister Stephen Harper quickly declared, "It has nothing to do whatsoever with the government of Canada." Despite the CIA's close relationship with Canadian state security agencies, as well as two judicial inquiries finding Ottawa complicit in the torture of Canadian citizens in Syria and Egypt, Harper preferred to ignore the facts.

At about the same time, a stunning memoir was published that paints another damning portrait of Canadian authorities from even before 9/11. *Guantánamo Diary* was originally composed by hand in 2005 from a cell at the infamous U.S. torture camp, which remains open despite President Obama's promise to close it eight years ago. It tells the remarkable story of Mohamedou Ould Slahi, a Mauritanian national who remains detained there despite a 2010 U.S. release order.

In English learned by listening to his kidnappers and torturers, Slahi elegantly relates a tale of human resilience under the most appalling conditions. His book is filled with wisdom, humour, and heartbreaking moments of despair produced by unending months of round-the-clock torture. The memoir would have been available sooner had it not been classified secret and subjected to a six-year legal battle over its release. It contains an incredible number of redactions, from single words to whole pages. But in a remarkable comment on the cultural shift, where torture is almost accepted as reasonable and inevitable, most of the sections detailing his brutalization appear intact.

Slahi's troubles began in Montreal, in 2000, where, after 12 years in Germany, he lived as a Canadian permanent resident for just over two months. At the time, he was subject to an RCMP/CSIS "disruption" campaign of harassment. Two cameras were implanted in the wall of his Montreal room, and he was followed in an obvious manner, "to give the message that we are watching you."

Slahi's very first interrogation was at the hands of the RCMP. He describes being "scared to hell" as he was questioned about a fellow Montrealer he'd never met, Ahmed Ressam, who was eventually convicted in the U.S. for a "Millennium Plot" to bomb the Los Angeles International Airport.



Flying home around this time, Slahi was intercepted and twice detained at the behest of U.S. officials, first in Senegal and then when he arrived in Mauritania, where he was repeatedly interrogated about alleged involvement in the Millennium Plot. Slahi was released in February of 2000 then arrested again in September 2001, questioned, cleared, and released.

In one of the earlier Mauritanian interrogations, Slahi recalled that things seemed to be going smoothly, "but when they opened the Canadian file, things soured decidedly." His case illustrates how Canadian state agencies were participating in the U.S.-led rendition-to-torture program at least 20 months before 9/11, which contradicts CSIS and RCMP claims that similar human rights violations they committed in 2002 and 2003 were mistakes resulting from confusion and fear after the U.S. attacks. This was all, it appears, Standard Operating Procedure for Canada's security agencies.

Indeed, readers familiar with Canadian human rights abuses against Arab Muslims will recognize in Slahi's memoir a similar pattern that reveals the dangers of "information sharing" with foreign governments, "intelligence" data dumps that are full of inflammatory and false allegations, "co-operation" with secret police, and using the fruits of torture.

Slahi's decision to voluntarily show up for another round of Mauritanian police questioning in November 2001 led to his self-described rendition world tour. It hit Jordan, Afghanistan, and Guantánamo Bay, Cuba, the human hellhole reserved for "the worst of the worst." By the time Slahi arrived at the U.S. base, in 2002, the *Los Angeles Times* was reporting that Guantánamo contained "no big fish," but hundreds of innocents who had been turned in by Afghan bounty hunters seeking rewards from Americans who paid good money and never confirmed the truthfulness of the hunters' allegations.

Indeed, as *Associated Press* reported in 2013, there were ongoing efforts between 2002 and 2005 to recruit Gitmo detainees as spies and double agents. Slahi himself describes a facility where intelligence agents came from around the world, including Canada, to interrogate their "nationals" or refugees who had escaped their clutches.

The basis for suspecting Slahi appears to be twofold. First, in the eyes of the U.S. administration of the day, he fit the profile of an alleged threat because he fought against the Soviets in Afghanistan in 1991-92 with a little-known, U.S.-funded group called Al Qaeda. The second factor is that, although Slahi left Al Qaeda in 1992, a distant cousin, Abu Hafs, became a member of the group's shura council. Opposing the 9/11 attacks, Abu

Hafs served some time under Iranian house arrest and is now a free man.

But with those two links providing little traction, it appears the sole basis for Slahi's eventual detention is the alleged Millennium Plot connection, even though the plot's singular member, Ressay, never implicated Slahi when he freely co-operated with U.S. authorities (and later recanted about those he did try to implicate). Remember that Canadian security agencies notoriously lost track of Ressay, who was only caught because of an attentive U.S. border guard.

"Canadian intelligence wishes I were a criminal, so they could make up for their failure when [NAME REDACTED, but clearly Ressay] slipped from their country to the U.S. carrying explosives," Slahi writes in his diary. "The U.S. blamed Canada for being a preparation ground for terrorist attacks against the U.S., and that's why Canadians (sic) Intels freaked out. They really lost their composure, trying everything to calm the rage of their big brother, the U.S. They began watching the people they believed to be bad, including me."

As in most cases of Canadian targeting and profiling over the past two decades, Slahi was presumed guilty by association, no matter how many degrees of separation there were between him and anyone looking to allegedly plot a terror attack. Mirroring the experience of Ottawa's Maher Arar, who was the subject of a massive data dump of inflammatory falsehoods that, when shared with the Americans, led to his being branded a threat and a target for Syrian torture, Slahi writes: "I stayed less than two months in Canada, and yet the Americans claimed that the Canadians provided tons of information. The Canadians don't even know me!" Notably, the Germans provided nothing towards Slahi's interrogations.

"All the Canadians could come up with was, 'We have seen him with x and y, and they're bad people.' 'We've seen him in this and that mosque.' 'We have intercepted his telephone conversations, but there's nothing really.' The Americans asked the Canadians to provide them the transcripts of my conversations, but after they edited them."

Without providing the full conversations, which Slahi believes Canada should have refused anyhow,

there is no opportunity to provide context, and so the Americans fixated on what they believed to be code words in his phone calls: "tea" and "sugar."

One interrogator tells Slahi "your only problem is your time in Canada. If you really haven't done anything in Canada, you don't belong in jail." He is also interrogated by one of the men who interrogated Canadian teenager Omar Khadr after the youngster had been "softened up" by weeks of torture.

The Canadian Slahi file must be bulging with references to Canadians who may have unwittingly suffered surveillance, interrogation and detention. To cite one of many possible examples, Slahi agreed that he planned to blow up Toronto's CN Tower, even though he had no clue what it was. (He describes writing out over 1,000 pages of false confessions to try and end the torture at Gitmo.)

Did this "confession" lead to RCMP/CSIS targeting of Canadian Kassim Mohamed after he took photos of the landmark to share with his five children, then living in Egypt? That targeting certainly caused Mohamed's harrowing two-week detention in Egyptian custody during a 2004 family visit. How many other people in Canada had cases built around such tortured confessions?

"Whenever they asked me about somebody in Canada I had some incriminating information about that person even if I didn't know him," writes Slahi, noting that use of the phrases "I don't know" or "I don't remember" only invited more torture. Threatened with being disappeared forever, he "took the pen and paper and wrote all kinds of incriminating lies about a poor person who was just seeking refuge in Canada and trying to make some money so he could start a family. Moreover, he is handicapped." Slahi feels horrible, taking solace that "I didn't hurt anybody as much as I did myself [and] that I had no choice [and] I was confident that injustice will be defeated."

The torturous act of "confession" about things and people he knows nothing about was the culmination of endless rounds of sleep deprivation, sexual assault, beatings, immersion in severe cold, humiliation, degradation, and a starvation diet. The psychological war—informing Slahi his mother is detained at Gitmo and likely to be violated in the all-


male environment—is all-pervasive, but throughout he maintains a combination of defiance (refusing to speak or throwing snarky replies at his interrogators) and spirituality, even though he is forbidden to pray and punished when he tries to do so. "I hate torture so much," he writes, but adds that waiting for torture is worse than torture itself.

Remarkably, Slahi maintains a sense of ironic humour, comparing his huge number of interrogations to the list of women Charlie Sheen has dated, and likening the repetitive nature of interrogation to the Hollywood film *Groundhog Day*. He develops relationships with his guards, debating religion and popular culture. One guard cries shamefully when he leaves Guantánamo, believing that he will go to hell because he prevented Slahi from praying. Others have him fix their VCRs and PCs. Slahi's ocean of tears is one day interrupted with paroxysms of laughter when he reads *The Catcher in the Rye*—"such a funny book," he writes.

Slahi estimates that over six years he spoke to more than 100 different interrogators, including Canadian agents. "You know that I know that you know that I have done nothing," he tells one American. "You're holding me because your country is strong enough to be unjust. And it's not the first time you have kidnapped Africans and enslaved them."

Is Slahi still at Gitmo, 13 years after being dumped there, because Canadian intelligence agencies don't want him released? Could holding him be quid pro quo for Canada accepting Omar Khadr and taking that public relations nightmare off U.S. hands?

Unfortunately, Slahi's request for disclosure of his RCMP/CSIS files, as well as the notes from Canada's Gitmo interrogations, was turned down when a Federal Court judge ruled that the Charter of Rights and Freedoms did not protect him, even though Slahi's nightmare began because of two months in Canada. The Supreme Court of Canada refused to hear Slahi's subsequent appeal to find out what Canada actually has on him, if anything.

Canadians wondering what the future will look like with passage of new anti-terrorism legislation (Bill C-51) have another frightening roadmap with Slahi's must-read memoir. 



## The father as hero/zero: *Birdman*, *Whiplash*, *Interstellar* and *Force Majeure*

Reviewed by Chandra Siddan

With *Birdman* taking four Oscars in February, including for best picture, we can see a leitmotif developing in cinema this year: the father as hero/zero. The relationship between fathers and children plays out differently depending on the child's gender, but fathers are doomed to be either triumphant heroes or abject losers, in U.S. cinema at least.

Directed by Alejandro González Iñárritu, *Birdman* presents Riggan Thompson (Michael Keaton), an aging actor tormented by the voice of the eponymous superhero—a role he played in his Hollywood glory days—as he struggles to prove to the world, and himself, he can pull off the Broadway play he wrote, directed, produced and stars in.

At stake is not only money (and a refinanced house), but the love and respect of his daughter, the recovering drug addict Sam, whose childhood he missed while pursuing a Hollywood career. Sam, played by a waifish Emma Stone, is reunited with her father as an assistant on what she contemptuously considers his vanity project, attracted more to the young method actor Mike (Edward Norton), whose narcissistic artistry competes with Riggan for Sam's attention.

Will Riggan manage to reinvent himself as a real actor, get a good review from a dreaded critic and win the heart of his daughter? It ceases to matter long before his walk of shame through Time Square—in his underwear: literally the emperor with no clothes—goes viral, finally putting him on his daughter's radar.

The film's magical realism notwithstanding, this is a weaker reprise of *Beautiful* (2010), Iñárritu's elegy to morally reprehensible fathers who resort to deadly crimes for mere survival. Comparatively, Riggan is only a spoilt actor, a cipher. It is hard to take the stakes seriously when the film is overloaded with cleverness: a real-life failure playing a make-believe failure successfully but badly, obfuscating failure and success with repeated sleights of hand.

In Damien Chazelle's *Whiplash* (2014), on the other hand, the stakes are absolute. The film's young protagonist has ditched his biological father as a loser and replaced him with a terrifyingly unpredictable teacher who can make or break his career. Andrew (Miles Teller), a nineteen-year-old jazz drummer at an elite music school, is flattered when Terence Fletcher (J.K. Simmons), the school's hard to please conductor, gives him a chance to play. That pleasure is short-lived as he fails to satisfy the conductor's keen sense of time. But the enigmatic gatekeeper of the music world gives Andrew another chance, and another, offering the ambitious student a glimpse of the success he craves.

With its fast-paced adversarial plot, powered by the conductor's explosive violence both literal (thrown chairs) and emotional (insults about Andrew's Jewishness), *Whiplash*

leaves little time to consider whether this teacher is friend or foe. Simmons's performance as Fletcher inspires horror as he runs Andrew through a humiliating boot camp that keeps on going even after we learn of the suicide of a previous student.


What is truly frightening about *Whiplash* is that it justifies a crushing regime so long as it produces "excellence." Fletcher justifies his belittling style of mentorship as a type of perfectionism, and the sad thing is the film does too. The holy grail of success—even artistic success, which should be more a matter of being true to oneself than to another—is available only to those willing to pay their dues and bank their suffering in the books of the powerful. Andrew wins his final battle with his teacher but remains in a repressive system and, having won, validates the process more than if he had lost.

The subjection to extreme regimes of education in American cinema is typically limited to sons, while daughters are more often denied love by their fathers, who must later redeem themselves through heroic actions, as we see in *Birdman*. The absenteeism is always justified. Consider Christopher Nolan's *Interstellar* (2014), in which the father, played by Matthew McConaughey, makes up for abandoning his teenage daughter to Earth's dustbowl by imparting wisdom to her, across several dimensions, when she is much older. (This wisdom is no less than the key to humanity's colonization of outer space!) The myth of triumphant fatherhood is maintained by the father literally escaping the dirt of earthly existence. One way ticket to Mars, gentlemen?

For an antidote to this rampant adult male supremacy one has to look to Europe. *Force Majeure* (2014), a Swedish film written and directed by Ruben Östlund, offers a pitiless critique of masculinity but also of consumerism. The title, meaning "superior force" in French, refers to an accident encountered in a ski resort by a typical hetero-normative family made up of Tomas (Johannes Kuhnke), Ebba (Lisa Loven Kongsli) and their two children.

When a manmade avalanche descends upon the breakfasting family, Tomas runs for his life and Ebba is confronted by her husband's cowardice. The opening shots of the family, framed through the lens of an unseen photographer who directs them to pose this way and that, masterfully capture the faceless resort staff, there to construct the perfect memories of the nuclear working family on holiday. *Force Majeure*, in contrast to the American films mentioned here, shows there is liberation in the acknowledgment of the father as zero, granting men their vulnerable humanity and opening the door to less male-dominated communal action.

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Chandra Siddan is a Toronto-based writer and filmmaker. 

# The Good News Page

Compiled by Elaine Hughes

Australia recently switched on the world's first large-scale wave power plant. Fully submerged buoys at the Perth project are tethered to seabed pump units. "These buoys move with the motion of the passing waves and drive the pumps," explained a Carnegie Wave Energy Limited press release. "The pumps pressurize fluid which is then used to drive hydro turbines and generators to produce electricity." (*Motherboard*)

Tesla Motors, the electric car company seeking to revolutionize space travel, wants to do the same to your home. CEO Elon Musk is turning his attention and skills to the development of home energy storage based on Tesla's lithium-ion battery. Some conventional energy utilities are apparently nervous the technology, combined with solar power, could take homes off the grid. (*Off Grid World, Raw Story and Bloomberg*)

It costs about \$1,000 Jordanian dinars (nearly \$1,800) per month to power and air condition an average mosque in the Middle Eastern country. As energy costs continue to rise, Jordan's ministries of energy and Islamic affairs are co-ordinating on a plan to install photovoltaic solar systems in all of the country's 6,000 mosques, beginning with 120 mosques this year. As part of the plan, all newly built mosques (about 150 per year) will be fitted with solar panels. (*The Nomad and Eden Keeper*)

The international movement to divest from fossil fuels is celebrating the decision, in February, of Norway's government pension fund to dump 114 companies considered to pose a risk to the climate. Bill McKibben, co-founder of 350.org, tweeted that Norway, which owes much of its wealth to oil, was "the Rockefeller of countries." Also in February the Norwegian government

announced it will cut carbon emissions by at least 40% of 1990 levels by 2030. (*EcoWatch*)

Freight Farms started in 2010 as a rooftop greenhouse in Boston but the company's Leafy Green Machines can now be found in many U.S. and Canadian cities. The modified freight containers provide year-round local, fresh produce (lettuces, herbs, brassicas, etc.) even in sub-zero temperatures. According to the company's website, each container is monitored by a farm-to-hand mobile app and "outfitted with vertical hydroponics, high-efficiency LED lights and an automated climate control system." Freight Farms raised \$3.7 million earlier this year from venture firm Spark Capital, known for its investments in social media sites Twitter, Tumblr and Foursquare, and online retailer Waifair. (*BostInno, freightfarms.com*)


According to the Centers for Disease Control and Prevention (CDC), about 15 million Americans have been diagnosed with chronic obstructive pulmonary disease (COPD), a group of progressive lung diseases that cause breathing problems, such as emphysema, chronic bronchitis and some types of asthma. A new study suggests eating a diet high in whole grains, vegetables and nuts, and low in red meats and sugars, could reduce the risk of developing COPD by about a third. (*Reuters*)

Demand for organic food in the U.S. jumped 11.5% between 2012 and 2013, from US\$31.5 billion to US\$35.1 billion, according to the Organic Trade Association. (*Fortune*)

Seattle's Gabi Mann, now eight, began her relationship with neighbourhood crows four years ago by accidentally dropping bits of food on her way to

school, which were picked up and eaten by the birds. Gabi progressed to sharing her school lunch with the crows, then her mum, Lisa, started leaving food and water in the backyard. It was then that the crows began gifting shiny trinkets in return: an earring, a hinge, a polished rock, Lisa's missing lens cap—anything that fit into a crow's beak. The crow (like other corvids) is a highly intelligent social species that likes to hoard found objects. They will spend much of their courtship presenting gifts of food to their mates, and young birds will share objects with other birds and, frequently, humans too. (*BBC, New Scientist*)

During the 17th and 18th centuries, black rats and pigs, accidentally brought to the Galapagos Islands by pirates and whalers, decimated the giant tortoise population. Through captive breeding programs started in the 1960s, which returned hatched turtles to the wild when they were large enough, some 400 animals were added to the original population of 100 adults. Then, in December, likely as a result of a successful rat eradication campaign, conservationists found evidence of the first saddleback giant tortoise hatchlings in the wild in 100 years. (*Good News Network*)

European surgeons and engineers have developed a technology called "bionic reconstruction," which allows people to control synthetic hands with their mind. They performed the operation on three Austrian patients who had suffered severe injury to the brachial plexus—nerves carrying signals from the spinal cord to the upper limbs. The surgeons claim the procedure (cost: 15,000 euro, or about \$20,500) is less risky than a hand transplant and that the bionic hand performs comparably to the flesh-and-bone alternative. (*The Nomad*) 

## National pride needs a solid justification

By Ed Finn

The patriotism unleashed by our country's performance in last year's winter Olympics may have subsided, but memories of our athletes' feats at Sochi, and perhaps hopes of success at the upcoming Pan Am Games in Toronto and 2016 Summer Olympics in Rio de Janeiro, remain a wellspring of national pride. This uplifting of our public spirit, while commendable, can be hurtful as well when carried to extremes. It's one thing to hail Canada's success in competitive sport, quite another to interpret it as evidence of our country's overall excellence.

Among the causes of today's high levels of poverty and inequality in the United States—despite an economic upsurge—is surely entrenched ultra-nationalism. Convinced, as so many in the U.S. have been for so long, that they live in “the greatest country on Earth,” they have blinded themselves to its growing defects and inequities, including the displacement of democracy by a system verging on plutocracy. Left to fester, these internal debilities have rotted U.S. society from within. The same fate could befall Canada if we keep emulating the American system—particularly if we make the same mistake of putting our country's political and business leaders (not just our Olympic champions) on the gold podium.

Canada is far from being a great country. It is a relatively good country. But it could be better. It has the potential to become the greatest country in the world, in time, but only if that objective is made a collective national priority. Only if all our political, industrial, natural and human resources are harnessed to reaching that goal. We certainly have the material and human resources to attain true international greatness. But if we mistakenly delude ourselves that we're already there, that the race is won with the gold medal displacing the maple leaf on our flag, then the Olympic glow will fade, and so will our future as a nation.

We live in a richly endowed country where still hundreds of thousands of our children live in poverty. Our lack of a public child care system leaves nearly 80% of young children without regulated early care spaces. Nearly a million Canadians are unemployed, and 800,000 depend on food banks to stave off hunger. Nearly one in every four jobs in Canada pays less than the median hourly wage. Our unemployment insurance system provides the lowest benefits among the 16 top industrial nations. The national inequality gap keeps widening, with more than 90% of the gains in income share over a recent 10-year period going to the richest 5% of Canadians. Our performance in environmental protection is so poor that Canada has been ranked a dismal 28th among the 29 nations of the OECD. Our public health care system falls behind those of most European countries in failing to cover drug, dental and vision care.

I don't list these inadequacies to denigrate our country, only to temper our national pride with some grim reminders—to show that we still fall far short of any legitimate claim to eminence as a nation. Andrew Cohen, former and founding president of the Historica-Dominion Institute, cautioned as much after the 2010 Winter Olympics in Vancouver.

“The danger,” he wrote in the *Ottawa Citizen*, “is that our success will reinforce our culture of complacency. It is a culture that is so comfortable with itself that it rarely pushes beyond itself... Blessed with staggering natural riches, we have learned to live off them. We have built an economy based on resources, rather than manufacturing, which would create high-value jobs. So we send our timber abroad, for example, and buy it back as expensive furniture.

“Instead of crowing about beating the Europeans,” Cohen continued, “let us look at how they nurture the arts, build mass transit and manage health care... How to make our golden moment last? Seize the ambition of Vancouver to commit ourselves to goals in fields where mediocrity rules.”

With the exception of Norway, European countries with contestants at the Sochi Games didn't garner as many medals as the U.S. and Canada. However, this in no way diminished their national pride. They may not have devoted as much of their budgets to enhancing the prowess of their athletes, but they didn't stint on maintaining superior social and economic systems. European athletes went home to societies that are often more equitable, more compassionate, more secure and more progressive than either Canada or the United States.

The countries in Europe that are most often cited as exemplary models for Canada to follow are Sweden, Norway, Denmark and Finland. For the past 60 years or more, the Scandinavians have provided their citizens with cradle-to-grave social security. Their high standards in health care, child care, education, labour rights and public pensions are rightly acclaimed. Canada's “welfare state” pales in comparison. But the Nordic states are not the only ones to create a just society in Europe. Many others, including France, Austria, the Netherlands, Switzerland and Italy, have come close to matching the Scandinavian record.

So has Germany. Its social programs are as beneficial as those in any other European country. Where it really shines, however, is in its economic system, which has been, for at least the past decade, one of the world's most productive. Germany recently (until 2009) bested all countries in terms of export sales and is still a close rival to the U.S. and China. In 2010, labour lawyer Thomas Geoghegan explained the secret to German success in an essay in *Harper's Magazine*, which I will quote at length here.

“Germany has somehow managed to create a high-wage, unionized economy without shipping all its jobs abroad or creating a massive trade deficit, or any trade deficit at all... And even as the Germans outsell the United States, they manage to take six weeks of vacation every year. They're beating us with one hand tied behind their back.”

Geoghegan marvelled at the scope and depth of industrial democracy in Germany, where workers and their unions have a major role in running their country's major corporations. They do this through works councils, co-determined boards and regional wage-setting institutions.

“Germany is the country, out of all countries, including

Communist China, in which workers have the greatest amount of control over (dare I say it) the means of production... And because German workers are at the table when the big decisions are made, and elect people who still watch and sometimes check the businessmen, they have been able to hang on to their manufacturing sector. They have kept a tool-making, engineering culture, which our own entrepreneurs, dreamily buried in their Ayn Rand novels, have gutted."

Geoghegan described in detail the functions of the works councils in Germany that, in effect, share in the management of business firms; in setting work hours, who gets what shift, promotions, layoffs and other operating issues.

"The result is that there are thousands of clerks and engineers in Germany who now are (or a few years ago were) elected officials, with real power over other people. They are responsible for other people. They are responsible for running the firm. They make up a powerful leadership class that represents the kind of people—low-income, low-education—who don't have much of a voice in the affairs of other industrialized countries."

On the co-determined boards, which are set up for the largest companies

(those with 2,000 or more employees), half the directors are elected by the workers. Not a fifth, not a third, but half.

"Of course there's a catch!" wrote Geoghegan. "Under German law, if the directors elected by the clerks and the directors elected by the shareholders are deadlocked, then the chairman can break the tie. And who picks the chairman? Ultimately, just the shareholders. So capitalism wins by one vote, provided the stockholders, the bankers, and the kids from Goldman Sachs all vote in a single bloc. But the clerks still have a lot of clout [and] have all this power without owning any shares! In this stakeholder model, they need only act on their interests as 'the workers.'"


The strong presence of unions in Germany is partly why, in 2006, the staunchly anti-union U.S. retailer Wal-Mart decided to sell its 85 German outlets to a rival domestic retailer and completely pull out of the country, at a cost of about \$1 billion. Germany's powerful unions do all the bargaining over wages, benefits and pensions at a macro level under the country's model of regional or multi-employer negotiations. The goal, although it is never entirely reached, is to have every employer in an industry pay the same wage for the same type of work.

Geoghegan, who develops his ideas about Germany's success in a new book, *Only One Thing Can Save Us: Why Our Country Needs a New Kind of Labor Movement* (The New Press, 2014), said in 2010 that regional or industry-wide wage-setting institutions are "probably the single most important way in which Germany is 'socialist.'" The overall effect is to achieve a level of compensation parity at the national level that is unequalled anywhere else.

"All my life as a labour lawyer I have read the same thing in *The Economist*, about the United States and its wonderful labor-market flexibility," he wrote. "What they mean is: Unlike the Germans, U.S. working people are completely powerless. But it's precisely because of our labour-market flexibility that we can't compete. Our workers have been flexed right out of their high-wage, high-skill jobs and into low-wage, low-skill jobs. That's bad for the workers, of course, and it's also bad for the economy."

His sharp criticism applies with equal force to Canada and the failure to respect and institutionalize labour rights in this economy. A recent historic ruling by our Supreme Court that says labour rights are protected by the Constitution may also shield unions from the more vicious political and corporate attacks they have been subjected to in recent years. It's too early to tell how successful the unions will be at building on the Court's enshrinement of their rights.

For the past several months, I've been working with Ralph Nader in compiling an anthology by Canadian writers, researchers and analysts who are concerned about our country's failure to achieve true greatness. They are all true patriots. They love their country, but deplore the regressive and socially damaging policies of its political and business leaders—policies that are dragging Canada backward, not pushing it forward. We hope the collective wisdom in our anthology will help to awaken those Canadians who have complacently settled for second best instead of the true greatness that our country has the potential to achieve.

*Ed Finn is Editor Emeritus of the CCPA Monitor. This month's column is a fresh take on an article that appeared in the April 2010 issue.* 

## Second Annual Supporter Survey – Watch for it in the May-June Monitor

We learned a lot from our first annual survey of CCPA supporters last year. The information helps us improve what we do and how we interact with our supporters, especially through the CCPA's flagship publication *The Monitor*. You'll see the exciting results in our next issue, which will go online May 1 and reach mailboxes in the first two weeks of May.

The centre spread of the May-June issue will contain our second annual survey. *Monitor* readers are encouraged to pull the survey out of the magazine, fill it out, and return it to the CCPA using the included pre-paid envelope. We will also be putting the survey online — the website for that survey will be available May 1.



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