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## **ECONOMY & FINANCE / ÉCONOMIE ET FINANCES**

### **Interest Rates**

Inflation remains a greater danger than a slowing economy, the Bank of Canada said yesterday as it held borrowing costs steady for the rest of this year. The central bank says its trend-setting rate will remain at 6%, but it warns that it will be keeping a close eye on Canada's strong economic growth and what impact, if any, rising energy costs could have on inflation. In a statement on the first of what will be eight set dates a year on which it will review interest rates, the central bank said, "Economic data continue to indicate that the rate of expansion of output is above the Canadian economy's long-run growth potential. While external demand for Canadian products has moderated, reflecting the recent slowing in the United States economy, growth in domestic demand remains robust [and] ... pressures on the economy's production capacity are expected to increase." Coverage noted the hawkish statement contrasted with that of U.S. Federal Reserve Board chairman Alan Greenspan, who said yesterday he is finally satisfied the growth rate there is slowing to a more sustainable level (CTV 11:00 pm, CBC-R 5:00 pm, G&M A1 & B3, NP C1 & D1, Ctz D1, TSun 48, OSun 36).

### **Banque du Canada**

Malgré le ralentissement observé aux États-Unis, la Banque du Canada a maintenu le taux d'escompte à 6%. La Banque a tenu compte de certains facteurs pouvant influencer la tendance future de l'inflation en prenant cette décision (Dv B1, Dr 31, Sol B2, Pr D2).

### **Stocks**

The Nasdaq ended up 274.05 points, or 10.5%, at 2889.80. The Dow Jones industrial average jumped 338.62 points, or 3.2%, to 10,898.72. The Standard & Poor's 500 index climbed 51.57 points, or 3.9%, at 1376.54. Volume on the New York Stock Exchange was 1.40 billion shares, compared with 1.09 billion on Monday. The Toronto Stock Exchange 300 composite index climbed 334.34 points, or 3.7%, to 9279.04. The S&P/TSE 60 benchmark also jumped, adding 20.54 points, or 3.9%, to 552.25. Volume on the TSE was 165.4 million shares, compared with 124.1 million on Monday. The Canadian Venture Exchange index slipped 3.46 points to 2903.43 (NP D2, Ctz D6, Gaz D4, G&M B16).

## **INDUSTRY / INDUSTRIE**

### **Oil and Gas Exploration**

Pierre Alvarez, president of the Canadian Association of Petroleum Producers [CAPP], said yesterday that petroleum producers must soon be allowed access to areas that are restricted because of environmental, land claim and regulatory issues if demand for natural gas is to be met. While he acknowledged soaring gas costs are clearly a big concern to consumers, he stressed producers have little control over price increases. He suggested it's the responsibility of governments to step in to relieve some of the pressure of higher costs, much as Alberta did by announcing energy rebates. He maintained the problem with the areas now looked to for major growth in production -- such as offshore gas along the Canadian East Coast, and Arctic gas in the Mackenzie Delta and Beaufort Sea -- is they will not come on stream quickly enough, which means the attention has to turn back to the Western Canada basin in the near term, where the most promising areas are those that have been relatively undeveloped -- including the environmentally sensitive Foothills area in southwest Alberta and lands in northern Alberta which are tied up in land claims issues. He argued governments must move more quickly on granting regulatory approvals and be more definitive about what oil and gas companies can do (G&M B3).

### **Transportation Partnerships**

Canadian Pacific Railway president Robert Ritchie said yesterday the federal government should consider forging “partnerships” with railways and other transportation modes to help the industry reach its full potential, and he suggested the government should devote its energy to examining these types of ideas rather than tighter regulations that would limit the railways' ability to price differentially. Referring to a federally appointed panel that is reviewing the Canada Transportation Act, he criticized the review for examining how to reduce freight rates at the high end of the scale by reducing the railways' ability to set rates on the basis of demand (G&M B5, Gaz D5).

### **TD, CIBC Said Most Exposed to Telecom**

Two Canadian banks have the highest exposures in the world to the volatile telecommunications sector relative to their size, a major U.S. credit rating agency says. Toronto-Dominion Bank and Canadian Imperial Bank of Commerce have each lent non-investment-grade telecom companies the equivalent of about 25% of their tangible equity base, the highest percentage in the world, says Standard & Poor's Corp. in a report released yesterday. But the agency says it does not believe this is a major problem for the banks (G&M B1).

### **Apple Issues Earnings Warning**

Apple Computer Inc. became the latest personal-computer maker to warn of disappointing earnings that will fall well short of Wall St.'s expectations. The company said yesterday that it expects a loss for its first-quarter earnings. US\$225-Million Loss Expected Not counting one-time gains from investments, Apple expects to lose between US\$225 million and US\$250 million because of a slowdown in sales when results are released next month (Gaz D3).

### **Enviro-Friendly Lumber**

Two B.C. forest companies announced yesterday that more of their operations have been certified as environmentally sustainable. Weyerhaeuser Co. said its West Island timberlands on Vancouver Island has achieved certification to the Canadian Standards Association's sustainable forest management system standard. TimberWest said it has achieved sustainable forest management certification for its forestry operations on private land under the Sustainable Forestry Initiative program (NP C2).

### **Use of Plutonium Fuel in Candu Reactor**

The U.S. National Academy of Sciences has issued a report that states that the use of weapons plutonium as fuel in Canadian-designed reactors fails to meet the security guidelines for the U.S. program to dispose of its bomb material. Tom Clements, executive director of the Nuclear Control Institute, affirmed that the “Candu option is decidedly dead”. Atomic Energy of Canada Ltd. spokesman Larry Shewchuk said that the company is reviewing the report and that it is premature to dismiss the option (G&M A7).

### **Parks Canada**

Gordon Phillips, chairman of the Tourism Industry of Canada's policy committee, has suggested that businesses that benefit from national parks should help to pay for conservation. Phillips affirmed that Parks Canada operates at a loss while companies profit from their work (NP A8).

## **TRADE / COMMERCE**

### **China Trade Mission**

Prime Minister Chrétien, , set to embark on a Team Canada trade mission to Beijing in February, appears to be on a collision course with human rights groups over China's crackdown against the practitioners of

Falun Gong. The trip, meant to highlight and extend Canada's budding business partnership with China, comes amid new claims that close to 100 Chinese have been killed and tens of thousands are being persecuted for participating in Falun Gong's meditation exercises and spiritual gatherings. Correspondent Randy Boswell noted Beijing's dismal human rights record -- always the dark cloud over the Prime Minister's sunny promotion of trade with China -- will face particularly intense scrutiny during this trip because the imprisonment of a Canadian citizen has galvanized opposition in this country to the Chinese government's campaign against Falun Gong (Ctz A1).

### **P.E.I. Potato Ban**

Angered by a U.S. ban on P.E.I. potatoes, the Premier Pat Binns urged the federal government yesterday to close Canada's border to U.S. spuds. The U.S. border was closed on October 20th, when a potato fungus was found in an Island potato field. Binns urged Ottawa to retaliate against the United States for "its wanton disregard for trade agreements to which it is a signatory" (NP A11, TStar A7).

### **Climate Change Conference**

Frustrated by the collapse of global warming talks in The Hague last month, top officials from Europe and North America will meet today in Ottawa for two days of intense climate negotiations. If successful, a global warming deal could be signed by European and North American ministers as early as next week. Environment Minister David Anderson said, "We came very close in The Hague. Let's not lose any momentum." Coverage noted the talks aimed at reducing greenhouse gases in The Hague last month were billed by former foreign affairs minister Lloyd Axworthy as a "turning point" that would lead the world to an environmentally friendly future, but they ended in failure when nations could not agree on the rules to reduce greenhouse gas emissions worldwide. The main sticking point was the issue of carbon sinks. Other questions on the table will be the role of nuclear power, and whether countries can count foreign projects as part of their domestic reductions of greenhouse gases, which have been blamed for global warming. If officials can reach a draft agreement, it will be presented to ministers at a meeting in Oslo, Norway, next week (G&M A6, Ctz A3).

In an effort to get some action on global warming, officials from countries including Canada, the United States and Australia held an emergency meeting in Ottawa to try to salvage a deal that collapsed last month at The Hague. The issue was how to implement the Kyoto Protocol which is aimed at reducing greenhouse gas emissions. However, Environment Minister David Anderson said that the issue of carbon sinks, saying "That is the particularly important one, and that is the one that will be discussed here in Ottawa over the next few days." A forest is an example of carbon sink, because trees absorb carbon dioxide, one of the gases that contribute to global warming. Canada is one country that argues that its forests should be counted as an environmental credit in any formula that requires a reduction in its greenhouse emissions. In addition, there is the issue of international credits, which would give credits, for example, to a country which sells environmentally-friendly power sources. Anderson said that "the objective of the treaty is to reduce the emission of greenhouse gases, and a ton of greenhouse gas coming from Canada is not worse than a ton of greenhouse gases coming from Colombia." John Bennett of the Sierra Club said that it is not that simple, and that Canada took a position that puts industry first. The emergency meeting will end on Thursday, but could pave the way for further meetings on the topic. One item of concern about environmental issues is the presidency of the United States. The outgoing President, Bill Clinton, is environmentally-friendly, but it is unknown how the administration will handle the issues (NW 9:00 pm, CBC-T 10:00 pm).

In an OpEd piece, Matthew Bramley, a senior policy analyst of the Climate Change Program for The Pembina Institute in Ottawa, acknowledged this week's emergency climate meeting is a

good first step, but he argued Canada, in the next few weeks and months, must do its utmost to ensure an agreement on an effective Kyoto protocol that will act as a framework for action by all industrialized countries (G&M A17).

### **Réchauffement climatique**

Après l'échec de la conférence de La Haye, le mois dernier, une conférence internationale se tient à Ottawa depuis trois jours sur les changements climatiques. La rencontre, qui a débuté hier et se poursuit jusqu'à demain, a été convoquée à la dernière minute par le ministre de l'Environnement, David Anderson, qui espère ainsi remettre les négociations sur la bonne voie. Des représentants des États-Unis, de la Russie, de la Norvège, de l'Australie, de l'Islande, de la Nouvelle-Zélande et du Japon assistent à cette conférence. Le ministre Anderson a indiqué que l'enjeu pour le Canada est énorme puisqu'il est un des seuls pays où le réchauffement de la planète peut déjà être observable. Il a déclaré: «Yellowknife pourrait voir sa température grimper de 15 degrés. Les ours polaires perdraient leur habitat naturel. Je suis désespéré.» (Dr 42, JM 70).

## **SCIENCE & TECHNOLOGY / SCIENCE ET TECHNOLOGIE RESEARCH & DEVELOPMENT / RECHERCHE ET DÉVELOPPEMENT**

### **Math and Science Testing**

Canada has made a startling leap in math and science scores, leaving it just short of the world's front ranks. Only a handful of Asian countries out-performed Canada in both The country's Grade 8 pupils tied for sixth in science scores and seventh in math, according to results released yesterday from the Third International Mathematics and Science Study [TIMSS], held in 1999 and involving 38 countries. That is a major improvement over the last round of testing in 1995, when nine countries were ahead of Canada in science and in math. The results are also a large step toward the ambitious goal set by Finance Minister Paul Martin. He said earlier this year that if Canada is to compete in the new knowledge-based economy, its students must reach the top five in math and science. Alberta students' performance equalled that of the top five countries in science, while Quebec pupils reached that level in math. Canada improved mainly because of Ontario, the only province to show substantial gains over 1995 in both math and science, although increases in scores for the province brought it only to the Canada-wide average (G&M A1 & A5, Gaz A1, TStar A28, Sol A21, Dr 44).

## **INFORMATION HIGHWAY / INFOROUTE**

### **Net Increasingly a Threat to Canada's Big Banks**

The emergence of the Internet and wireless communication as media for financial transactions pose a threat for Canada's big banks, a study warns. The banks will soon face stiff competition from new players in the lucrative payments business, says Boston Consulting Group. Payments range from paper cheques to electronic modes such as debit and cash cards. For the world's banks, collecting fees in exchange for facilitating payments from one party to another is a US\$300-billion-a-year business. In Canada, the number of payments executed each year is expected to grow to 9.6 billion by 2008, roughly double 1998's level (NP C7).

### **E-com Far from Dead, Expert Says**

Reports of the death of electronic commerce are greatly exaggerated, a leading technology expert said yesterday. David Kirkpatrick, senior editor for Internet and technology issues with Fortune magazine, told Ottawa technology and media executives that critics are focusing on the meltdown of technology stock prices and missing the fundamental change that is gathering momentum in the economy and society.

He said it is a mistake for traditional businesses to assume that because many electronic commerce companies have shut their Web sites that electronic commerce has failed (Ctz D1).

### **RIM Gets Shot at U.S. Army**

A U.S. systems integrator has chosen the BlackBerry wireless e-mail device made by Research In Motion as part of its contract to supply the U.S. army. Zaman Khan of Intelligent Decisions, a Washington systems integrator, said RIM's devices provide secure access to e-mail "that allows army users to keep a constant pulse on the day's activities and respond immediately." Terms of the agreement were not released (Ctz D2).

### **Ottawa Firm Dishes up Fast Internet via Satellite**

C-Com Satellite Systems Inc. launched a satellite service yesterday that promises to provide broadband Internet access for people unable to surf the high-speed wave sweeping the country. C-Com believes its direct satellite Internet service for residential and corporate customers is the first of its kind in Canada, said Scott Walker, C-Com's vice-president of sales and marketing. Most traditional services cannot extend high-speed services to the outskirts, and rural areas using land lines and other technologies need direct sight lines to signal towers for their connections to work (Ctz D3).

### **Third Internet Ad Agency Cuts Staff**

DoubleClick Inc., the largest U.S. Internet advertising agency, cut more than 120 employees from its workforce this week, the latest sign of belt-tightening in an industry experiencing growing pains. The New York-based company is the third Internet ad agency to announce layoffs in recent months, a symptom of a steep decline in ad spending by dot-com companies, analysts said (Ctz D5).

### **Free Web Service Cut**

Come Sunday, online search portal AltaVista will cut off some 3 million users from its free Internet access service, the latest sign that freebies over the Web do not always pay. The announcement comes after a host of smaller free Internet service providers shut down earlier this year and as Kmart-owned BlueLight.com said Monday it is considering dropping its free service after the holidays (Ctz D5, Gaz D3).

### **Web Brokerage Eyes Market**

The new discount brokerage joint venture between Merrill Lynch & Co. Inc. and HSBC Holdings PLC hopes to pick up 10% of the Canadian on-line trading business within five years, its executives said yesterday. Merrill Lynch HSBC Canada Inc., the first in a series of on-line trading ventures to be created around the world by the two financial service giants, was launched in Toronto with the prediction that it will grow to be a major player in Canada. Competitors, however, say they are not worried that the new venture will take any substantial bite out of their business (G&M B6).

### **Online Shopping**

Internet-savvy Canadians will spend \$800-million shopping at electronic retailers this holiday season as the gender gap between online customers continues to narrow. A survey of 1,023 Internet users, conducted by market research firm CF Group, predicts 25% of Canadian Internet users will spend money at an online store during the festive season, each spending an average of \$257 (NP C8, Ctz D3).

### **Internet Education**

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La Cité collégiale in Ottawa has begun to offer courses online, making it the first post-secondary institution in the Ottawa-Carleton region to take education to the Internet. In the first phase of the program, which began yesterday, the college will offer more than 120 independent courses and two full certification programs on its Web site at <http://www.courssurinternet.com>. As the courses are only offered in French, they are aimed at Franco-Ontarians, as well as francophones across the country and the world. For now, online students will not be able to complete an entire diploma program over the Internet, but they will be able to complete certification programs or take courses to supplement a diploma program. Courses and programs offered online include computer education, health, administration, and legal and professional accreditation. The college plans to add online diploma programs in the future (Ctz C6).

### **Use of Debit Cards**

Canadians will, for the first time, be making more Christmas purchases with debit cards than with cash or cheques. A new study prepared for the Interac Direct Payment Association shows that 42% of Canadians are using debit cards to make most purchases; 35% are paying cash. Only 2% still prefer to write cheques and the balance prefer credit cards. In 1995, the year after debit cards were first widely available, 10% said they were the preferred choice, compared with 58% for cash. Last year cash was still king, but barely (39% compared with 38% for debit cards). Interac VP Sara Feldman said the card “has led to a fundamental shift in the way people pay for goods and services in Canada.” Barry Nabatian, an analyst with the Market Research Corp., said Ottawa-Hull residents are among the country's leaders in embracing automated transactions, first with debit cards and now increasingly with electronic commerce (NP A1, Ctz A1, G&M B4, TSun 48).

## **COMMUNICATIONS**

### **CRTC Head Resigns**

Françoise Bertrand, who has been the Chairperson of the CRTC since 1996, is leaving her post to take a job in the private sector, effective mid-February. She has overseen decisions on the rapidly-changing face of telecommunications and broadcasting, including the multi-channel universe, the Internet and competition in the telecommunications industry. Industry insiders and observers say that she has done a great job. Her successor will face a number of challenges, including the arrival of digital television on Canadian tv sets, a growing concentration of power in the Canadian media industry, and possibly another look at the CRTC's decision not to regulate the Internet (CBC-R 5:00 pm, NP C1, Ctz A5, G&M A7, Gaz D1, TStar A27, OSun 36).

### **Bertrand quitte le CRTC**

La présidente du CRTC, Françoise Bertrand, quittera son poste le 15 février prochain, soit six mois avant la fin de son mandat, afin de se joindre au bureau parisien de la firme Secor Conseil. Une source gouvernementale soutient que le départ de Mme Bertrand était imprévu et que le gouvernement ne lui aurait pas montré la sortie (Dv B10, Pr D3, Dr 42, JM 53).

### **Call Centres Raided**

The federal government's job-creation fund was back under fire yesterday after police and federal inspectors raided a telemarketing company that received \$290,000 in federal grants. The Competition Bureau said it received 600 complaints from as far away as England against the call centres in Montreal, Toronto and St. John's. Montreal-based Mouyal Corporate Group, which obtained a grant under the now-defunct Canada Jobs Fund to open a branch in St. John's slightly more than a year ago, was raided

under a criminal section of the Competition Act that deals with “deceptive marketing practices.” A Competition Bureau spokesperson said no charges have been filed yet. At the time it got the job grant, the company promised to create 124 jobs in Newfoundland, but it laid off 40 employees last week. Phonebusters, a national task force on telemarketing fraud run by the Ontario Provincial Police, said it has received 50 complaints about the company since March. According to the complaints, companies said that telemarketers misrepresented themselves to sell paper and other equipment for debit-card machines, according to OPP Detective Staff Sergeant Barry Elliott, co-ordinator of Phonebusters. He said unsuspecting businesses ordered the paper because they believed they were dealing with their usual supplier (G&M A1).

## **COMPETITION / CONCURRENCE**

### **BCE unit, Torstar Split the Rest of Toronto.com**

Sympatico-Lycos Inc. and Torstar Inc. have bought out their minority partner in Toronto.com the companies said yesterday. Sympatico-Lycos, part of the BCE Inc. group of companies, and Torstar, publisher of the Toronto Star newspaper, will each own 50% of Toronto.com after buying the 10% held by Ticketmaster-Online Citysearch Inc. Patrick Sullivan will become Toronto.com's president (NP C6, G&M B9).

## **CONSUMER AFFAIRS / CONSOMMATION**

### **Drug Safety**

Health Canada has received 26 reports of adverse reactions in patients who have taken the flu medications Relenza and Tamiflu, 17 of which involved the inhaled medication Relenza. It has been reported in the U.S. this week that 18 American patients who were taking the drug have died, and two deaths have been reported in Canada. Health Canada spokesperson Roslyn Tremblay said while the reports the department has received have raised suspicions, that they “do not come with established links”. Glaxo Wellcome spokesman Dick Jones affirmed that there is no causal relationship that has been defined between Relenza and these adverse events, but urged physicians to be aware of them (Ctz A1, NP A2).

## **NATIONAL NEWS / NOUVELLES NATIONALES**

### **UNITY / UNITÉ**

#### **Le PQ et la souveraineté**

À la suite de la sortie du député André Boulerice qui disait s’impatier devant la lenteur de son gouvernement à faire avancer la souveraineté, le premier ministre Lucien Bouchard a rétorqué qu’il était lui aussi très impatient mais que des dossiers importants devaient être réglés avant de remettre le dossier de la souveraineté de l’avant. M. Bouchard a rejeté la menace de démission du député Boulerice (RDI 19 h & 21 h, SRC-R 21 h, SRC-T 22 h, RDI 5 h 30 & 6 h 30, Dv A3, Pr A16, JM 14).

#### **Next Referendum**

Premier Lucien Bouchard moved quickly yesterday to seal the cracks in the sovereigntist armour caused by impatience within his caucus over the lack of action to promote independence and prepare for another referendum. He said he sympathized with those who are impatient about achieving sovereignty, but he emphasized a great deal more had to be done before Quebeckers can be persuaded to focus on sovereignty (G&M A9).

### **GENERAL / DIVERS**



### **Endangered Species**

One of three finalists for Canada's richest science prize, the \$1-million Gerhard Herzberg Canada Gold Medal, says the Endangered Species List has grown 40 per cent longer since Canada signed an international promise to protect these species. Biologist David Schindler of the University of Alberta says fresh water fish, frogs and the water creatures they eat are the hardest hit, and he says it is time for Canada to enact a federal law protecting endangered species, something the federal government has promised since 1993 but has not yet done. He says in a paper that Canada has failed to act on its 1992 promise to protect bio-diversity, made at the famous Earth Summit in Rio de Janeiro. He points to an "erosion of environmental protection" since the 1970s, with cuts in science research funds and a "conspiracy of silence" as Cabinet ministers ignore the problems. He emphasizes waterways are under special stresses, adding dams, sediments, industrial waste dumping and draining wetlands are all to blame (Ctz A1)..

Traditional Chinese medicine shops in five Canadian cities are illegally selling medicines made from endangered Asian black bears, an animal rights organization alleges. Undercover investigators from the World Society for the Protection of Animals posed as clients in 33 Chinese medicine shops in Toronto, Markham, Montreal, Vancouver and Richmond, B.C. They say they found medicines containing bear bile in 22 of the shops. The bile, extracted from the gall bladders of bears kept in captivity in China, is believed by some Asian practitioners to have wide-ranging medicinal properties. It is banned in international trade because the bears are an endangered species. The animal rights group will be promoting its report at a meeting on international trade in endangered species to take place in Shepherdstown, West Virginia, this week and next. Patrick Tohill, communications manager for WSPA, said they are concerned that the Asian delegation at the meeting will argue in favour of lifting restrictions on the international trade in bear bile products (Ctz A3).

### **Federal Court Ruling in Native Sovereignty Case**

Federal Court Judge James Hugesson has ruled that an Alberta native band can argue its claim to be an internationally recognized sovereign nation. In his decision, the Justice said that the Samson band has to some extent had some form of sovereignty recognized by a foreign power, and in particular by the U.S.A. A legal expert in aboriginal self-government believes that the ruling opens the door for similar claims by other bands. Coverage noted that if the claim is upheld, it would mean that the Samson band would cease to be part of Canada, but said that this outcome is not likely. The case stems from a lawsuit filed by native women against the Band, which maintained that the band discriminated against them by cutting off their oil and gas royalties which are paid to the Band (NP A1).

## **POLITICAL NEWS / AFFAIRES POLITIQUES**

### **Seeking an Auditor-General**

Correspondent Kathryn May reported observers say the federal government could have difficulty finding a top-notch replacement for Auditor General Denis Desautels because the job does not pay enough. Coverage noted the kind of fluently bilingual senior executive the government is seeking for the \$212,000 job would face a massive salary cut. Within the public service, Desautels is among the highest paid executives, earning the same as a Supreme Court judge, but a senior partner at a large accounting firm could earn in excess of \$500,000 a year in salary and shares. May pointed out the job has typically gone to executives from the private sector and has rarely been filled by a senior public servant since the position was created in 1878 (Ctz A4).

### **Election Recounts**

Four more judicial recounts have been ordered from the federal election, bringing to at least eight the number of ridings where the winner remains a mystery. Elections Canada confirmed yesterday that recounts will take place in Matapedia-Matane in Quebec and the Saskatchewan ridings of Regina-Qu'Appelle and Palliser. Results are also being reviewed in two other Saskatchewan ridings and two more in Quebec. The eighth recount was in the Ontario riding of Leeds-Grenville, where Liberal incumbent Joe Jordon had a margin of only 63 ballots over second-place Gord Brown of the Canadian Alliance. The recount began yesterday and continues today. In Regina-Qu'Appelle, NDP incumbent Lorne Nystrom beat Alliance hopeful Don Leier by about 400 votes. That recount will begin tomorrow (Gaz A10).

### **Federal Cabinet**

Columnist Hugh Winsor speculated that Acadian economist Robert Thibault may be named to the federal cabinet following his impressive win in West Nova. Winsor believes that Thibault stands a good chance of becoming the province's representative in the federal cabinet. He mentioned that Thibault has an economics degree with a specialization in fisheries management (G&M A4).

### **Remaniement ministériel**

La journaliste du Devoir, Manon Cornellier, indique que le premier ministre Jean Chrétien fait face à un problème de taille puisqu'il devra former un nouveau cabinet qui respecte l'équilibre régional et fasse place à du sang neuf. Un remaniement mineur est prévu avant les Fêtes, ce qui laissera à M. Chrétien une marge de manoeuvre. Elle soutient que M. Chrétien devra aussi s'affairer à démanteler le ministère du Développement des ressources humaines à la suite du scandale des subventions (Dv A4).

### **Canadian Alliance**

Canadian Alliance leader Stockwell Day has said that he will seek a formal meeting with Tory leader Joe Clark to begin talks about a possible party merger. Day believes that it would be good for the country to see some goodwill between the two leaders, but warned that any merger must be on the "people's terms" and not those established by either party (TStar A6).

Senior Conservative party members yesterday extended an olive branch to prominent Ontario Tories who supported the Canadian Alliance in the last election. There reportedly has been some discussion of trying to find a candidate from Ontario or Quebec to run in the next election. Former Tory cabinet minister André Harvey emphasized the importance of building a strong coalition of small-conservatives. Tory MP John Herron said that he will support current party leader Joe Clark until he steps down, but has agreed that a future leadership ship race could help to reconcile the Tories and Ontario Tories who supported the Alliance (NP A6).

Albertan Ian Todd reportedly will be Alliance leader Stockwell Day's new chief of staff. Todd served as an executive assistant to Preston Manning. It is thought that his selection will appease members of the caucus who remain loyal to the Reform Party (NP A6).

Andrew Coyne questioned the view that the Alliance must move to the Centre to be politically successful. He concluded that if the party does seek out the middle, it should first define where the middle is (NP A19).

### **Tory Party**

Paul Adams commented that Tory leader Joe Clark must be admired for his audacity. He referred to Clark's suggestion of a reverse takeover of the Alliance by the Tories, and then established conditions for the Alliance's acceptance. Adams believes that one reason Mr. Clark may want to give the impression of

openness to a merger is that it will make the Alliance seem rigid on the issue for a change (G&M A4).

### **Remise en question du NPD**

Le puissant président des TCA, Buzz Hargrove, remet en question l'état actuel du NPD et préconise une vaste introspection du parti à la suite de sa piètre performance lors de la dernière élection générale. Sans toutefois réclamer la démission de la leader Alexa McDonough, M. Hargrove souhaite que le NPD se livre à un exercice de réflexion en profondeur (Dv A5).

### **Canadian-Italian National Awards**

Prime Minister Jean Chrétien last night presented the first annual Canadian Italian National Awards to honour contributions made by Italian-Canadians to Canadian society. The ceremony took place in the Grand Hall of the Canadian Museum of Civilization in Hull. Public Works Minister Alfonso Gagliano expressed the belief that the annual vent will provide a means to celebrate and recognize the strengths and achievements of this community (Ctz A4).

### **Election Results**

Columnist Douglas Fisher wrote that the print media seem determined not to let go of Paul Martin as the PM Canada ought to have. Fisher said that the situation suggests to him that Martin would enhance, not harm his prospects, by shortly retiring from the House to take a corporate job or one in international finance. Such a recess from parliament would make him more attractive to the Liberals when the leadership convention is called. His alternatives are to continue on as finance minister or in another portfolio, or to do "what the PM does so well": play hardball using his ministerial status to cover open political analysis and the advancement of one or two national choices, forcing them forward to where the PM either accepts them or rejects them at his peril (OSun 14).

Columnist Jeffrey Simpson discussed the decline of civic engagement. He noted that Canadians have come to expect less from government, that international trade treaties have limited what governments can do, and that the courts now are seen as the custodians of basic rights. He added that perhaps this is not cause for concern: the economy is up and interest in politics is down. As a British philosopher argued in the book *In Defence of Apathy*, things tend to go better when people cool off (G&M A17).

## **REGIONAL NEWS / AFFAIRES RÉGIONALES**

### ***ATLANTIC / ATLANTIQUE***

#### **Point Pleasant Park Tree Cutting**

The fight to save the trees in Point Pleasant Park in Halifax, N.S., will continue as a coalition of environmentalists and users of the park plan to appeal a Federal Court decision which would allow the trees to be cut. The coalition, known as Friends of Point Pleasant Park, have called for a one-year moratorium on the Canadian Food Inspection Agency's plan to resume cutting red spruce trees in an effort to halt the spread of the brown spruce longhorn beetle. The N.S. Forest Products Association has demanded that cutting resume as quickly as possible to eliminate the threat posed by the beetle (G&M A6).

### ***QUEBEC / QUÉBEC***

#### **Bilinguisme de Montréal**

L'éditorialiste du Devoir, Michel Venne, traite du bilinguisme prévalant dans certaines municipalités de l'Île de Montréal et de la place de l'anglais dans la future ville fusionnée de Montréal. Il met en évidence

la situation délicate dans laquelle se placent les députés libéraux provinciaux qui préconisent le bilinguisme institutionnel pour les arrondissements de la ville, en contradiction avec la position historique du PLQ et de l'adoption de la Loi 22 (Dv A8).

### **Réforme scolaire contestée**

La réforme scolaire du ministre de l'Éducation François Legault, continue de provoquer des remous. Un rapport sur le suivi de cette réforme qui a été effectuée dans seize écoles l'an dernier, révèle de sérieuses lacunes dans l'implantation de ce programme (RDI 19 h & 21 h, SRC-T 22 h, TVA 22 h).

## **ONTARIO**

### **Education Funding**

In a report, the Ontario Education Improvement Commission says governments should invest more than \$1-billion to provide virtually universal child care and full-day junior and senior kindergarten across Ontario. The commission appointed by the Harris government, which is to be disbanded at the end of this month, also warned that the current labour disputes between teachers, school boards and the province are creating a "corrosive" climate that is hurting pupils. It maintains it is time to stop the endless talk about improving the lot of children in their early years and take some concrete action. The agency takes a broader approach to improving the state of education in the province, and it urges the provincial and federal governments to institute a system of affordable child care for everyone that would mean at least partial subsidies for most people (Ctz A1, TSun 2).

### **Protection for Algonquin Wolves**

The province is being urged to provide greater protection for the declining population of Algonquin Park wolves by imposing hunting and trapping restrictions outside the park. The restrictions are one of 23 recommendations in a confidential report from a provincial wolf advisory committee created last year by Natural Resources Minister John Snobelen. Wolf researcher John Theberge, a member of the committee that also included hunters, said yesterday he was disclosing details of the report because officials in Snobelen's office had not made the report public (TStar A32).

### **St. Lawrence Pollution**

The city of Brockville pleaded guilty yesterday to polluting the St. Lawrence River through its sewage treatment plant and was fined \$50,000. Ontario's Ministry of the Environment charged Brockville with pumping too much phosphorus into the river from its water pollution control plant and failing to prepare an operation manual for the facility, two separate offences under the Ontario Water Resources Act. The city was fined for the first charge and received a suspended sentence for the second charge (OSun 7).

## **WEST / OUEST**

### **Aboriginal Treatment Centre**

A counselor at an Aboriginal treatment centre cut off from federal funding last week was charged yesterday with making death threats against two former employees who spoke publicly about the troubled facility. Ken Courchene, director of the Virginia Fontaine Addictions Foundation, also promised yesterday to keep the facility open regardless of the loss of federal funding which provides 95% of his budget. Powerview RCMP arrested Winola Mae Canard late Monday after an e-mail was sent Sunday night. She has been charged with two counts of uttering threats. The e-mail said the former employees, Anita Harper and Barb Gervais, would be "dead meat" if they did not stop talking about the treatment centre. It called them "white bitches" and made several obscene accusations. Meanwhile, officials at the

treatment centre whose funding has been cut off by Health Canada have vowed to continue to operate in defiance of a federal plan to move patients to other centres across Canada (G&M A8, Gaz A14, TStar A7).

A Native treatment Centre in Manitoba opened its doors to the media on Tuesday, and the people in charge of the Centre said the doors would stay open. Last week, Health Canada cut funding because of a controversial trip by the Centre's staff. However, the Centre's management said that they had done nothing wrong and they are staying open. Treatment Centre Director Ken Courchene told staff and patients, "I'll apologize to no one for that." Courchene continued, "We did not use government funds." Associate Deputy Minister of Health Marie Fortier said, "We have concerns, and to get at the evidence of whether, in fact, these concerns are justified, is precisely why we want this audit to be fully performed." One patient said that "this is a good program, I know it is, because it's helping me." The government says the 65 people who are being treated at the Centre must be moved somewhere else. Native leaders say the move by Ottawa is both heavy-handed and prejudicial. Chief Dennis Whitebird of the Assembly of Manitoba Chiefs said, "Take a look at what's happened to the Human Resources Development government-funded programs across Canada and where there has been deemed to be some mismanagement. They didn't shut them down." The people at the Centre are not going to give up, especially when the Centre is the area's largest employer (NW 9:00 pm, CBC-T 10:00 pm, CTV-NN 10:00 pm, CTV 11:00 pm, CTV-NN 6:15 am, CTV 6:30 am).

## ***NORTH / NORD***

### **Pollutants Threaten Inuit Life**

Sheila Watt-Cloutier, Canadian president of the Inuit Circumpolar Conference, was speaking yesterday on the sidelines of UN-sponsored talks in Johannesburg, South Africa, aimed at devising a global treaty that conservationists hope will ban production of some of the most dangerous persistent organic pollutants [POPs]. She said Inuit people live in a pristine Arctic environment thousands of kilometres from dangerous pollutants that circle the globe, yet they suffer more from the fallout than anyone else on Earth. Twelve POPs have been singled out for urgent attention. Used in a wide range of industrial and agricultural activities, they circle the globe in air and water and are attracted toward the poles. They last longer in colder climates like the Arctic and accumulate in fatty tissue -- making cold-region mammals high up the food chain, like seals, especially susceptible to their affects. According to the United Nations, the breast milk of Inuit mothers typically has five times the dioxin levels found in that of mothers in industrialized countries (Gaz A17).

#### ***ABBREVIATIONS / ABRÉVIATIONS***

CBC-T	--	Cdn Broadcasting Corp (Network)	NW	--	CBC Newsworld
CBC-R	--	CBC Radio	OSun	--	Ottawa Sun
CTV-NN	--	CTV News Net	Pr	--	La Presse
Ctz	--	Ottawa Citizen	RDI	--	Le Réseau de l'Information
Dr	--	Le Droit	SRC-R	--	Société Radio-Canada (radio)
Dv	--	Le Devoir	SRC-T	--	Société Radio-Canada (télé.)
G&M	--	Globe and Mail	Sol	--	Le Soleil
Gaz	--	Gazette (Montreal)	TQS	--	Télévision Quatre Saisons
JM	--	Le Journal de Montréal	TStar	--	Toronto Star
NP	--	National Post	TSun	--	Toronto Sun

All media citations refer to coverage over the past 24 hours unless otherwise indicated.  
À moins d'indication contraire, les références médiatiques contenues dans ce document  
sont tirées des dernières 24 heures.

