

The News Rundown

- Senators recommend delaying cannabis bill for a year to address Indigenous issues
 - There were 3 central planks to Trudeau's platform of change back in the campaign leading up to the 2015 federal election: 1) Lowering taxes for the middle class, which hasn't happened despite what the Liberals say, 2) Electoral reform, which fell apart soon after the Liberals got their majority and felt they didn't need to push for it anymore, and 3) Legalizing marijuana, which despite Trudeau's almost 3 years in power hasn't moved very far. Currently a multi-partisan committee of senators, including Liberal senators, is attempting to hold up legislation by passing an amendment that would delay implementation for up to one year.
 - Members of the Senate's Aboriginal peoples committee are recommending the Liberal government hold back on legalizing cannabis for up to a year in order to address its potential for harmful effects in Indigenous communities. The committee, chaired by Liberal Saskatchewan Sen. Lillian Dyck, said in its report on Bill C-45 that the government simply did not consult enough with First Nations, Inuit and Métis communities before pushing ahead with its plan to legalize the drug. "Many communities are really worried about the potential adverse effects on their members, and especially on their youth, and it may be even worse because of the trauma in their communities," Dyck said, adding existing social issues in Indigenous communities could be made worse by increased drug use.
 - As currently written, the bill stipulates the law does not come into force until a date is fixed by an order of the governor-in-council Prime Minister Justin Trudeau's cabinet. A final vote on the bill is scheduled to occur in the Senate on or before June 7, with legalization expected to follow eight to 12 weeks later. The committee said the government should take that time to negotiate a revenue-sharing agreement with First Nations communities. The committee has heeded a request from Manny Jules, the chief commissioner of the First Nations Tax Commission, who recommended the federal government and the provinces hand cannabis taxing authority over to First Nations governments so they can impose their own levy on marijuana grown and sold on reserves.

- Conservative Alberta Sen. Scott Tannas told reporters that "The way the bill has been crafted shows there was very little consultation. There was no thought given to the [tax issues], and there are First Nations that are keen on economic opportunities that would come from the legitimate production of cannabis and they feel that they're behind. There are Indigenous governments that want to see economic development and get revenue ... None of that appears to have been considered."
- First Nations say their governments will face new social challenges from legal cannabis, but they stand to gain nothing from Ottawa's plan. The Aboriginal peoples committee also found there is no "culturally appropriate" educational material ready to ensure Indigenous people understand the new law — which will legalize the drug, lead to the creation of provincially-run retail distribution systems and allow for home cultivation, among other sweeping changes to the country's drug laws.
- The committee heard from a number of witnesses who said the public education campaign that addresses the health effects of cannabis is woefully inadequate and is rolling out too close to the proposed legalization date — giving people too little time to learn about its harmful effects.
- It also noted a number of First Nations police witnesses warned they are unprepared for a wave of legal pot. In its report, the committee quoted Steve Burton of the Tsuut'ina Nation Police Service, a reserve outside Calgary, who said his force doesn't have the tools it needs to enforce the act — which actually stiffens penalties for some offences, including giving cannabis to a minor — or to monitor drug-impaired driving. Burton said "We don't have the people trained, the drug recognition experts. Those are training programs that require extensive time ... For us to arrange that training when we're already low on manpower, we have to find a way to backfill that position or positions with other officers,"
- Canadian Real Estate Association head Michael Bourque called on the government to place a moratorium on home cultivation until provinces can pass stricter housing rules to prevent property damage, such as the spread of mould and fungus through ventilation systems. Bill C-45 would allow individuals to grow up to four marijuana plants each for personal consumption, with provinces and territories having the latitude to impose their own limits. Manitoba and Quebec say they will forbid home cultivation of any kind; a second Senate report this week recommended a similar outright ban.
- However, Prime Minister Justin Trudeau isn't backing down from his government's much-maligned timeline for legalizing marijuana, despite a growing chorus of calls from senators, Indigenous leaders and others to delay the plan for up to a year. Trudeau says the plan to make recreational pot legal by this summer will go ahead without delay. "We're going to continue to move forward. We're going to bring in legalization as we've committed to this summer on schedule," Trudeau said Thursday.
- His press conference coincided with his meeting with Portuguese Prime Minister Antonio Costa. Costa talked about his country's decision in 2000 to decriminalize illicit drugs, and how that has helped to mitigate their addiction problems. However, Trudeau says he is adamant that his government "has absolutely no intention of legalizing any more illicit drugs."
- Survey finds Edmontonians' transportation habits are not changing

- This past Tuesday Global reported on the City of Edmonton 2015 Household Travel Survey.
- The 3 year old survey says that there was no change in the amount of public transit usage since 2005.
- 8.6% of all trips were made on transit in 2015 and 2005.
- Data released in 2016 later said that transit ridership decreased between 2014 and 2016.
- So why is this important?
- The city has constantly been investing in mass transit over the last decade.
- Global News spoke with transit viewers and found agreement with the survey, in that it's just not convenient in our city.
- Another said the only reason they used LRT was that downtown parking was too expensive.
- Global also found that between 4:30pm and 6pm on Tuesday, only 15 people used the bike lane.
- Former City Councillor Kim Krushell said that she felt a regional system would spur more people to ride.
- Why are we talking about this though?
- The city is currently undertaking major projects:
 - The metro line to NAIT and North Edmonton was supposed to come online in early 2014 but was a year late and is still plagued by issues.
 - The City has placed Thales into default.
 - The City is building the Valley line to Mill Woods
 - The City is about to make a final decision on the Valley Line to West Edmonton.
 - A question must be asked, if people aren't using what's built, why are we spending tons of money without identifying ways to make it more appealing.
- Let's not also forget indirect costs of increased traffic delay for those who choose to travel by car.
- People have a choice to travel by car! Should not be penalized.
- There's also the indirect cost of disrupting established businesses and neighbourhoods.
- The City needs to hold Administration accountable before rushing into any decisions.
- Relationship between council and administration.
- Edmontonians need to be aware of these issues to know what they are getting into and where their taxpayer money is being spent.
- <u>Soaring health costs for B.C. cities when employer health tax replaces premiums: UBCM</u> <u>survey</u>
 - A Union of B.C. Municipalities survey suggests that property taxes will increase and at least a dozen local governments will see health costs double when the new provincial employer health tax replaces current medical service premiums. The survey, which in April gained input from financial officers for 77 of the province's 189 municipalities, looked at how local governments will be affected by the new tax when it is implemented in 2019 and medical service plan premiums are eliminated in 2020. Businesses and organizations with payrolls under \$500,000 will be exempt, but those with payrolls in excess of \$500,000 will pay a 0.98-per-cent tax, which will gradually

increase to 1.95 per cent for payrolls over \$1.5 million. UBCM researchers found that 29 per cent of local governments that responded expect cost reductions or no change when the tax arrives, but 71 per cent will see an increase. More than a third will pay 25 to 100 per cent more than under MSP, and 15 per cent will see their health payments more than double.

- "The savings for most of these communities are negligible," the report said.
 "Conversely, the cost impacts for some larger communities are considerable. Based on the survey information provided to UBCM, Medical Services Plan-related costs for respondents would double between 2017 and 2020." Among the worst hit is the City of Vancouver, which will see its payroll health costs triple to \$15 million under the new tax in 2020, up from \$5 million under MSP in 2017. The District of Saanich will see the largest percentage increase when its costs soar by 336 per cent to \$1.82 million, up from \$417,420 in 2017.
- Local governments face a significant drain on their budgets in 2019 when MSP is retained while the EHT is implemented, and health costs are expected to quadruple, according to the UBCM. Councils and boards will need to fund the increased costs through service reductions, increased property taxes, or both. Most (39 per cent) expect up to a half-per-cent increase in property taxes, the report said. More than a quarter expect an increase between 0.5 and one percent, and 15 percent expect increases between one and two per cent.
- "Given that the communities most impacted tend to be larger population centres, it is safe to conclude that the implementation of the EHT will lead to property tax increases for the majority of British Columbia's population. This will have a particular impact on the private sector, since businesses that are already paying the EHT directly will likely face increased property taxes as well." the survey found.
- Victoria city staff say a two per cent increase in property taxes or corresponding cuts in services could be needed in 2019 to cover the province's new tax on payrolls. Instead of individuals and families paying MSP premiums, costs will be shifted to the payroll tax. To cover the tax on Victoria municipal worker payrolls, that could mean a total property tax increase next year of 4.5 to five per cent when other increases are included. That's why five Greater Victoria organizations are uniting to urge Finance Minister Carole James to rethink the tax, saying, "We are hearing significant concerns regarding the financial impact and unintended consequences of the proposed Employer Health Tax." Chamber of Commerce CEO Catherine Holt said she's heard from many businesses. "We have now difficulty attracting, and retaining workers. That's the number one issue. This is just another cost that makes it hard to do business in this city," Holt said.
- If there's anything that will unite the 13 mayors of Greater Victoria, it appears to be forcing the municipalities to raise property taxes to cover costs for the provincial government's new tax. "I strongly feel that property taxes should not fund health care," said Victoria Mayor Lisa Helps. Helps said she has already sent the staff report to Finance Minister Carole James, and that at the very least the province should consider phasing in the new tax over five years.
- Esquimalt mayor Barb Desjardins agrees. "We are definitely looking at a two per cent increase as well," said Esquimalt Mayor Barb Desjardins. "Two per cent is a lot of

money and that's without even looking at what else is coming at you. So to have that sense that already I can see next year's taxes are going up by two per cent is a very scary thing," The mayors of Oak Bay, View Royal also estimate at least a 1% raise in taxes.

- Kris Sims, B.C. director of the Canadian Taxpayers Federation, noted that while the NDP promised during the election campaign to get rid of MSP premiums, "they said nothing about sticking cities, towns, and employers with the new bill." Sims said the province should eliminate the premiums and pay for health care through existing budgets without the new tax.
- B.C. Liberal Leader Andrew Wilkinson slammed the NDPs employer health tax during a visit to South Delta to meet with local businesses last Friday, and said that the government seems oblivious to the people that will be hurt by its new tax. "This is exactly what we don't want and what government should be trying to avoid. Instead the NDP are just recklessly imposing taxes that will dramatically affect our competitiveness."
- It's just another way that the BC NDP is hiking taxes on BC citizens. Outside of the new employer payroll which will raise property taxes, there's also a new tax for schools, the speculation tax, raising corporate taxes by 1%, personal income taxes by 2%, as well as raising the carbon tax, all in the same fiscal year.
- As Jack Mintz writes, "With so much focus on Horgan's opposition to Alberta pipelines, the NDP government might have thought the public wouldn't notice all the tax increases. It helps, also, that they've mostly targeted a minority of better-off residents or have made the tax less visible by applying it to businesses. But eventually, all chickens come home to roost. Skilled workers will look at high housing costs and taxes in Vancouver as less attractive than living in more affordable markets. Businesses unable to compete will look elsewhere to locate at least some of their operations."
- Mintz also compares BC's last NDP government's economic competitiveness with that of our next door neighbor. "The last time B.C. went through years of tax hikes in the 1990s, the share of investment the province enjoyed compared with the rest of Canada eventually fell from 16 per cent in 1994 to 12 per cent in 2011 as it stopped being competitive, while Alberta's rose from 16 to nearly 27 per cent over the same period. B.C. also saw its standard of living fall to no better than the national average. If the NDP keeps the taxes coming, the province will have more troubles than a pipeline could hold."

The Firing Line

- Official says CBSA being 'muzzled' by Trudeau government
 - New reporting in the Toronto Sun suggests that the CBSA is being 'muzzled' by the Canadian government.
 - The CBSA is the agency that is tasked with keeping Canada safe and knowing who is coming into Canada.
 - An anonymous CBSA officer said, "This government is making it up as they go along, we are muzzled. But, I can tell you that the rank and file cadre has had it 'up to here' as with the rest of the growing number of frustrated Canadians out there."

- Recently reported in the Sun, a CBSA vehicle was spotted at the most popular illegal border crossing along Roxham Road in rural Quebec.
- This means that the CBSA is stationed at an illegal entry point.
- The CBSA is supposed to police our official ports of entry.
- By law and re-enforced in a media briefing over the last month, the RCMP is supposed to be in charge of policing the border between entry points.
- This raises the question, if the CBSA is at this illegal entry point, shouldn't the CBSA be enforcing the law? And if they were to enforce the law, shouldn't they be enforcing the Safe Third Country Agreement?
- The Safe Third Country Agreement between Canada and the US says that someone seeking asylum must make that claim in the first country in which they land, in this case the US.
- This was echoed by the anonymous CBSA officer who said, "If (CBSA) powers only apply in custom controlled areas, and CBSA is stationed (at Roxham Rd.), it means one of two things, either Roxham Rd. is now a customs-controlled area and an official crossing where the safe third country (law) is now as applicable as anywhere else, or it is not an official crossing and all actions taken by CBSA officers are null and void."
- If the second was true, all illegal migrants should be made to proceed (as is the law) to an official port of entry where they can make their claim.
- Remember, a few weeks ago on the show we highlighted that throughout 2017, just over 20,000 people illegally walked into Canada.
- These people often fly to New York landing at JFK or LaGuardia airport then take buses to the border.
- Following that they often ditch supplies including very expensive iPhones. It wasn't too long ago that a new iPhone X was found in the ditch.
- It was revealed this week that the federal government is actively seeking help from the United States in turning back the illegal border crossers.
- What was also revealed by the immigration official is that Canada actually wants the Safe Third Country Agreement re-written to apply to the entire border.
- The US Department of Homeland Security said that they're reviewing the proposal but have not yet made a decision.
- This was not mentioned once anywhere in Canada's national news, the report highlighting this came from Reuters and was subsequently posted in the National Post.
- Meanwhile Immigration Minister Ahmed Hussen said that he'd be open to changing the Safe Third Country Agreement but no formal proposal is on the table.
- What?
- When pressed he revealed that these were just general talks aimed at modernizing the agreement that Canada and the US have.
- We can guess that the government has not mentioned this too much because they want to be seen as pro-immigration and pro-refugee and don't want to risk losing any votes.
- While all this is going on construction crews have arrived at the border.

- A notice of procurement went up this past Thursday signalling that the government wants to build a series of modular buildings that can house up to 520 people over 3 seasons.
- The buildings will be heated, ventilated, and illuminated to provide sleeping quarters, quarantine spaces, and toilet and shower facilities.
- This is not ending anytime soon.

Word of the Week

Context - the circumstances that form the setting for an event, statement, or idea, and in terms of which it can be fully understood and assessed.

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Show Data

Episode Title: Chickens Coming Home To Roost

Teaser: Marijuana health concerns cause the Senate to delay legislation, Edmonton transit budgets soar while ridership stays flat, the new BC NDP employer health tax will raise property taxes, and the CBSA is muzzled as more illegal migrants cross the border.

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Podcast Summary Notes

<Teaser> <Download> Duration: XX:XX

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- <u>Soaring health costs for B.C. cities when employer health tax replaces premiums: UBCM</u> <u>survey</u>
- Official says CBSA being 'muzzled' by Trudeau government
- Word of the Week: Context