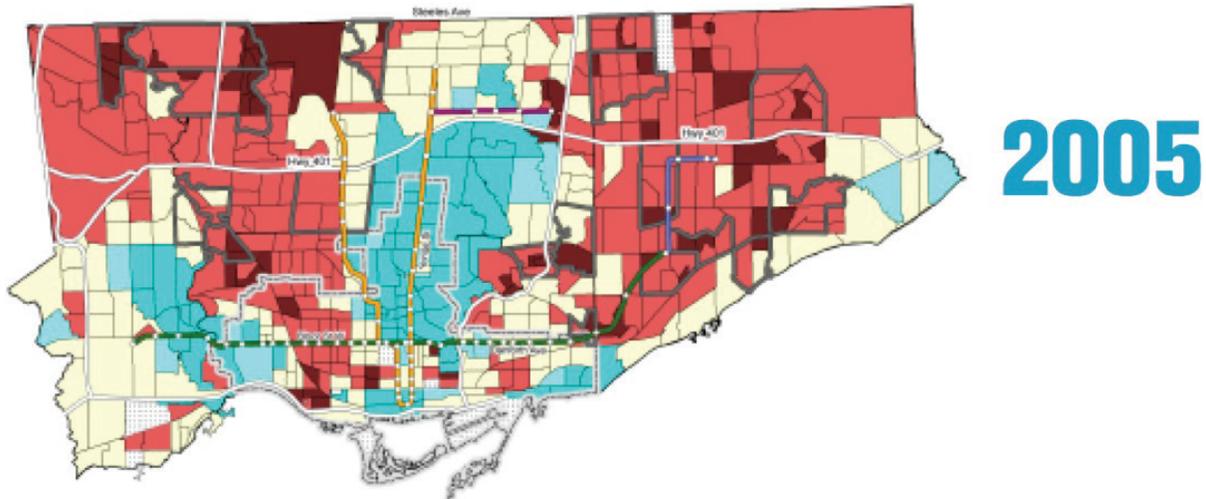


Three cities - Toronto is losing its middle class

MAP 3: AVERAGE INDIVIDUAL INCOME, CITY OF TORONTO, Relative to the Toronto CMA, 2005



Census Tract Average Individual Income Relative to the Toronto CMA Average of \$40,704 (estimated to 2001 census boundaries)

				
Very High More than 40% Above 76 Tracts, 15% of City Average = \$104,000	High 20% to 40% Above 21 Tracts, 4% of City Average = \$53,500	Middle Income 20% Below to 20% Above 152 tracts, 29% of City Average = \$39,000	Low 20% to 40% Below 206 Tracts, 40% of City Average = \$28,000	Very Low More than 40% Below 67 Census Tracts, 14% of City Average = \$22,500

Curmudgeon's corner . . . 4

Pensions . . . 11

Presidential Perspective . . . 12-13

Steve Fuller's Toronto . . . 14-15

ARM 12 Theatre Club . . . 16

Editorial Chatter

THREE ORGANIZATIONS THAT ARE ESPECIALLY IMPORTANT to ARM members came together on February 13 to tell members about their products and services. In this issue of *After School*, they summarize some of the material they presented at the workshop. EFG, OTIP and Teachers Life make a point of serving ARM members and their activities. All three of them support such activities as our golf tournaments.

PAUL ROOK CURMUDGES ABOUT THE FINANCIAL WIZARDS whose machinations underlay the recent Great Recession. We are recovering from it very slowly and the wizards, after tolerating some tongue lashing, are still at large.

CHARLIE HAWKES HAS TWO ARTICLES in this issue. One of them, he co-wrote with Paul Headdon (Headdon's first appearance in these pages) on pensions. Look for this duo to continue bringing us reports on our pension plans.

Hawkes's other article is a report on income disparities in Toronto and how they are re-defining the city. You may not be surprised to learn that the middle income group is shrinking every year. His article is based on J. David Hulchanski's report, *The Three Cities Within Toronto*.

JULIA HARNEY REPORTS ON STORYTELLING 2013, held in Toronto this March. Of particular interest to ARM 12 is the participation in the festival of Honourary Member Maryaleen Trafford. Her storytelling skills she showed off earlier at our December 2012 Holiday Party.

WATCH FOR THE SUMMER ISSUE AND DAVID SCHREIBER'S review of *Soldaten*, a book that looks at the recently released records of German prisoners of war in WW II. The dehumanizing effects of war on ordinary people may shock you.

Contents

Editorial page - random thoughts	2	Our fair Toronto's three cities	8-10
Calendar - for the A in Active		Pension report	11
Retired Members	3	Presidential perspective	12-13
Curmudgeon's Corner	4	Steve Fuller's Toronto	14-15
ARM golfing and curling	5	ARM 12 Theatre Club	16
Three financial service providers	6-7	Storytelling 2013	16

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After School Volume 15, Issue 2, November 2012

After School is the official publication of Active Retired Members of the Ontario Secondary School Teachers' Federation, Chapter 12 Toronto (ARM C12)

Opinions expressed in *After School* are those of the author and do not necessarily reflect the policies of ARM Chapter 12 or of the Ontario Secondary School Teachers' Federation.

Submissions are always welcome but will not be returned. All submissions are subject to editing for length and style while respecting the author's intentions.

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Calendar

Wednesday, May 22, 2013. Swing For Kids Annual Spring Golf Tournament

09:30 Registration

10:00 Shotgun tee-off

If playing the Championship Course, arrive earlier as you will have to tee-off around 9 am so we finish together. Shotgun start means we tee off at the same time and finish together for lunch which will be ready at about 1:00 to 1:30 pm

Place

Rolling Hills Golf Club

Cost

Send your cheque for \$70 (Classic Course) or \$80 (Championship Course) or \$25 (Lunch only, to Jim Loftus, 7 Roanoke Rd., Apt. 301 Toronto M3A 1E3. 416 447-0811. loftaire@gmail.com . Make the cheque out to ARM C12 Spring Golf Tournament c/o Jim Loftus. Cheques must be in by May 15, 2013. Since places are limited, please act soon.

Includes 18 holes of golf, power cart for two (compulsory). BBQ lunch menu includes choice of 3 salads, vegetable platter, assorted cookies and dessert squares, coffee or tea, taxes, gratuities and prizes.

Registration Please notify us at armchapter12@gmail.com so that we'll have a good idea of how many will be registering.

Directions to golf course

Rolling Hills Golf Club
12808 Warden Avenue
Gormley, Ontario L4A 7X5
Golf Shop: 905 888-1955
From Toronto
Take Hwy 404 north to
Stouffville Road. Turn
right (east) on Stouffville
Road and drive to Warden
Avenue
Turn left and go north 2
kms on Warden Avenue.
Entrance is on the left side
(west) of Warden Avenue.

Include your team members' names and phone numbers and e-mails if possible. Please indicate skill level, 1 being a novice and 5 being a good golfer. Cancellations no later than 6:00 pm, Monday, May 20.

Wednesday, June 5, 2013. Annual General Meeting.

Registration 2:30 pm. 3:00 pm meeting starts. Dinner following: OSSTF Provincial Office, 60 Mobile Drive. Call Jim Loftus 416 447-0811 to confirm attendance.

Friday, June 21, 2013. Stratford Trip – Fiddler on the Roof or Mary Stuart

All seats are in the Orchestra. Pre-theatre lunch package includes soup, entrée (beef or fish), dessert, tea or coffee at the Country Harvest Restaurant in St. Jacob. The cost of the whole day is \$110. Please contact Karma Naike by May 6 if you intend to go – 416 783-6591. Mail your cheque, payable to ARM C12, along with your choice of play and entrée, in care of Karma Naike, 980 Briar Hill Avenue, Toronto, M6B 1M3

Wednesday, October 2, 2013. Fall Tour: 3 hour Grand River Luncheon Cruise. Roast beef luncheon. Craft Shop – Coffee and Muffins. Entertainment – the Blazing Fiddles. \$89 includes the event and bus transportation. Confirm your attendance with Rosemarie Mohring till September 6, 416 425-6677. After September 6, confirm attendance with Elsa Dunn, 416 699-9455

Catching criminals – a history

Paul Rook takes on the criminal element and the science of identifying the miscreants

For two hours on April 17, Paul Rook had the undivided attention of ARM 12 participants in his workshop on the techniques of catching criminals. For example, we were surprised to learn that fingerprinting is a relatively recent technique of identifying individuals. Rook teaches an always oversubscribed course at Ryerson University on the techniques of identifying criminals.





Curmudgeon's corner

You know who made the financial mess we are in

No matter – investment bankers and financiers still walk the streets as free citizens

By Paul Rook

I am both amazed and angered by what has been going on in the financial world ever since the economic collapse of 2008. One of the amazing things is that the “masters of the universe” (investment bankers, financiers) have managed to place the blame for our economic problems on ordinary citizens and not themselves.

The most recent example is an article in the Toronto Star proclaiming “Crushing debt the boomers shame” (Toronto Star April 4, 2013). This makes it sound as if, as a group, we got together and made a conscious decision to go into debt. It ignores the role of the enablers – those “masters of the universe” though I think the term “robber barons” should be revived to describe them. We were the first generation inundated by easy credit and brainwashed into using it. Offers of credit cards were constantly coming in the mail and purchases with no money down and interest free for months were dangled in front of us.

This has not stopped since the recession. Recently my bank approved a \$15,000 line of credit for me. Not only did I not need a line of credit I had not even asked

for one. The brutal reality is that our consumer-driven society requires people to be in debt so that we can constantly buy new technical toys and replace appliances and products that wear out much faster in recent years.

There have been demands for education on how to manage money. Guess who is going to prepare the advice? Yes it is the same people who caused the problem. Isn't this like asking the person who is going to rob you to give advice on how to avoid being a robbery victim?.

The second amazing thing is that the key people who created our economic problems got away with it. The individuals who played a major role in creating the conditions for the economic collapse have not been arrested and found guilty for what were clearly illegal activities, toxic investments and giant Ponzi schemes. You might be questioning what I just wrote by thinking of Bernie Madoff. However he was a small fish in the economic world. Furthermore, Madoff got in trouble by inflicting his Ponzi scheme on rich and powerful people and institutions. I guess the message is, if you are going to scam someone, make sure they don't have the resources to fight back.

The third amazing thing is that the lust for more profits, no matter what the costs are to our society, still dominates our financial world. This is why RBC was going to outsource the work of 45 Canadian employees to a foreign company to save money and improve profits. The most disturbing part of this was that some of the foreign workers were going to come to Canada for two years under the Federal Government's foreign workers program. This program is supposed to apply only if a company cannot find Canadian workers to do specific tasks. But RBC has those workers. They were the ones the bank was going to fire. To add insult to injury some of the workers being replaced were going to be asked to train their cheaper replacements. It is not as if the banks are facing a meltdown. In fact RBC had a profit increase of 73 per cent in the third quarter of 2012 to reach \$2.24 billion profit, for that quarter year.

We have learned nothing from what happened in 2008 and we have changed nothing that matters. In my view we are destined to repeat the past but in a far more devastating collapse. But in the meantime, those who have the money party on.

ARM Chapter 12 curlers and golfers show their mettle

Support from EFG, Teachers' Life and OTIP helped successful events shine

By Jim Loftus

ARM's Curling Bonspiel at the Donalds Club on Mon, March 18, 2013 was a very successful and immensely enjoyable sporting and social experience which included two hours of curling followed by a truly delectable luncheon catered by Donalds's staff. The thirty-one active participants included ARM members and

friends, as well as five professional friends, financial advisors with Educators Financial Group and ARM's insurance needs advisors and providers with Teachers Life and OTIP/RAEO. The cost of the event was covered in part by a financial contribution by Educators Financial Group and prizes provided by Teachers Life and OTIP/RAEO. ARM deeply appreciates the continued and ongoing support provided by these organizations.

Regarding ARM's golfing pursuits: the 10 week Winter Indoor Golf Training Program, at the Metro Golf Dome, affords a valuable opportunity for the most avid golfer, the occasional golfer, and even the most tentative golfing novice, to develop, improve and fine tune his/her golfing skills prior to getting into the real swing of things in late April and beyond. This year's 10 one-and-a-half-hour sessions began January eighth and concluded



Innocuous? This crew? Not if you want to golf against them. They have spent the winter being coached by golfing experts at the Metro Golf Dome. Better not put any money on your game this spring.

on Mar 19 with 16 10-week trainees and 12 occasional participants, the largest number of participants since the inception of the program three years ago.

The entire training program was masterfully conducted by golf pros Nick and Jyn, who provided both group and individual instruction to all trainees, on all aspects of the game such as proper stance, posture, swing of motion, choice and use of all clubs, driving techniques, chipping, putting, and sand trap solutions.

In addition to agreeing to very reasonable fees for the program, the Golf Dome proprietor/manager, Jim Tsakalos, is fully supportive of ARM's "Children's Charities Funding Concept" and has therefore provided a \$100 hole sponsorship fee for each of ARM's past three golf tournaments. In recognition and appreciation of Jim's generosity, we have responded with appropriate tokens of appreciation.



Educators Financial Group Inc.
2225 Sheppard Avenue East, Suite 1105
Toronto, Ontario M2J 5C2
Tel: 416.752.6843 or 1.800.263.9541

How to max your tax refund

Expecting a tax refund this year? Now it's time to make that hard-earned money work just as hard for you. Educators Financial Planner Mike Spohn offers up a few smart ways you can use this year's refund:

- Pay down high-interest debt.
- Use your refund to tackle high-interest debt like credit cards, lines of credit, or car loans.
- If you're looking to be mortgage-free sooner rather than later, use your refund to make an extra mortgage payment instead.
- Help your grandkids or kids save for their post-secondary education. As an educator, you know better than anyone about the rising costs of education. One of the ways you can help ensure your child's future is to use your tax refund to make a lump sum RESP contribution.
- Save it for the summer. If home renovations or a trip abroad is on your summer wish list, you might consider putting your refund into a tax-free savings account (*TFSA*). This will allow you to grow your money tax-free until you need that extra income boost. If you're retired, that extra money in your *TFSA* can help cover emergencies or any potential pension income gaps.
- Use it for next year's *RRSP* contribution. Get a head start on reducing your tax liability for 2014 by putting your refund towards next year's *RRSP*. Not only will you be avoiding the last-minute contribution rush next March, it just might help you get a refund again next year!



ARM Plan Review – Travel Coverage

Since many retirees tend to travel, a review of the ARM deluxe travel insurance is always helpful. Your travel coverage shouldn't be a confusing issue. Our hope

is that this article will clarify some frequently asked questions.

The most important point is that our deluxe travel insurance coverage is included in all ARM extended health plans **at no additional cost**. That means, in most cases, you won't need to purchase travel insurance when travelling outside the province or country. The ARM deluxe travel insurance plan offers you the freedom to get away.

With no age limit on coverage, you can travel with peace of mind, knowing that you're covered for up to \$2 million per person, per trip, while travelling outside your province of residence. You also have coverage for up to \$6,000 per person, per trip, for pre-paid, non-refundable,

unused expenses if you're unable to travel or continue to travel due to death, illness, or serious injury to yourself or a member of your immediate or extended family (as defined in the contract).

While you're away, 24-hour emergency assistance is always available. Services include arranging for: payment to health care providers, medical referrals, transportation, notification of physician and family, and local care of dependants. Dependant children and/or grandchildren under the age of 16 who are travelling with you will have their return home coordinated if you are hospitalized.

Accidents and illness can happen at any time and in any place, even while you're travelling. Your deluxe travel insurance is designed to protect you during unexpected medical emergencies when travelling outside your province of residence. Although your plan provides coverage for 62 days per trip, with an unlimited number of trips per year, if you plan to be away longer than 62 days, you may want to consider purchasing top-up coverage.

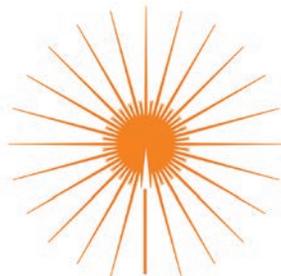
Keep in mind, however, that coverage is for medically unforeseen incidents. You may not be covered for incidents that are the result of a pre-existing condition.

Before you decide to travel, claims adjudication uses a standard administrative practice to determine if you were clinically stable at the time of the incident. Typically, they will look at the last three months of your medical history to determine this. As with any insurance plan, it is important to check the details of your insurance contract to ensure you're protected.

Find out more at www.otip.com/ARM.



EFG's Lisa Raponi outlines how to maximize your money with minimum risk at ARM 12's February 13 workshop and luncheon featuring speakers from Teachers Life, Ontario Teachers Insurance Plan and Educators financial Group.



TEACHERS LIFE
Ready For Life

Teachers Life is a fraternal insurer that has been providing quality life insurance products to the education community for over 70 years. Teachers Life is a unique insurance company guided by a board of directors made up of educators and industry veterans. As a membership based insurer we are able to turn our profits into fraternal benefits for our members. At Teachers Life we understand life insurance is not a one-size-fits-all arrangement, so no matter what stage of

life you are at, we provide our members with a number of affordable and flexible coverage options. Term life insurance is one of the most economical forms of protection available. From \$10,000 to \$1 million dollars of coverage, we are confident in our ability to help you create an insurance solution that is right for you, your spouse, children or grandchildren.

Teachers Life is a fraternal insurer and because of that our members have access to a number of great fraternal benefits. We provide several scholarships and bursaries each year to the children and grandchildren of our members. We also have Power of Attorney and Will rebates. And as a part of our commitment to the health and well-being of our members we offer a yearly health club membership rebate.

For more information, or to receive a quote, please call 416 620-1140 or toll free at 1 800 668-4229. Also you can visit Teachers Life online at teacherslife.com. The website has lots of information about our products and our unique fraternal benefits.

Our fair Toronto: not one but three cities

Income inequality is shrinking the middle class

By Charles Hawkes

Income inequality has become a central issue in the US, Canada, and Europe in the aftermath of the 2007-8 financial crisis and recession that followed it. The slogan of the Occupy movement that sprang up in 2011 in protest against income inequality ‘we are the 99 per cent’ went mainstream, became part of the political debate in the 2012 American Presidential election, and forced finance ministers in

a group of researchers from U of T that investigated the changes in income levels in Toronto since the late 1960s to today. Titled “The Three Cities within Toronto” the report presents a startling picture of how our city has changed today from the broadly middle-income city it was in 1970. Toronto is now divided into three cities, distinct in area and divided by growing income differences, one growing in

City two is defined as middle income at less or more than 20% above the average. It now comprises only 29% of neighbourhoods, falling from 66% of the total in 1970. This declining city is more scattered much of it compressed between city one and three.

City three is defined as low income at more than 20 per cent below the average. It’s the fastest growing of the three cities, rising from 19 per cent of neighbourhoods in 1970 to 53 per cent today. Low income people used to be located downtown where they were better able to access transit and services. Now they’re located in the northwest and northeast city areas where they have poorer access to transit and services compared to people in the other two cities.

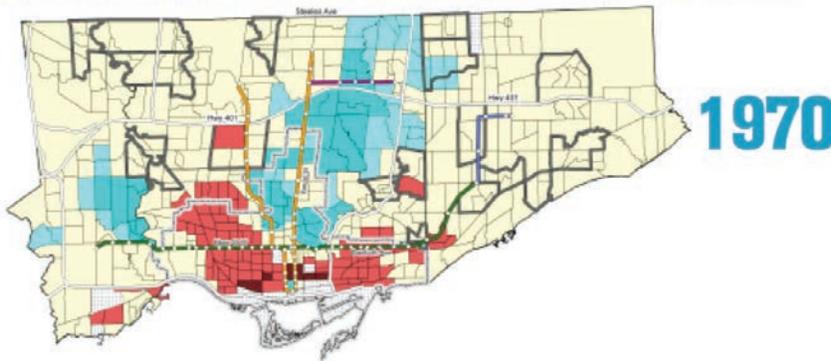
The report emphasizes that these 35-year trends could result in Toronto split and segregated between a larger low income city comprising 60 per cent of neighbourhoods, and a richer one of 30 per cent. The middle-income city once so broadly based in 1970 will have shrunk to 10 per cent of scattered neighbourhoods.

The causes

Some figures help to explain why Toronto changed from a city composed mostly of middle income households to the divided one we have today with a rising number of low-income households:

1. Jobs: In 1970 about 28 per cent of jobs were full time, mostly unionized blue collar manufacturing

MAP 2: AVERAGE INDIVIDUAL INCOME, CITY OF TORONTO, Relative to the Toronto CMA, 1970



Census Tract Average Individual Income Relative to the Toronto CMA Average of \$30,800* (estimated to 2001 census boundaries)

Very High	High	Middle Income	Low	Very Low	* Average incomes in constant 2005 dollars
More than 40% Above	20% to 40% Above	20% Below to 20% Above	20% to 40% Below	More than 40% Below	
36 Tracts, 7% of City	41 Tracts, 8% of City	341 Tracts, 66% of City	91 Tracts, 18% of City	6 Tracts, 1% of City	
Average = \$54,700*	Average = \$39,000*	Average = \$29,800*	Average = \$22,300*	Average = \$17,000*	

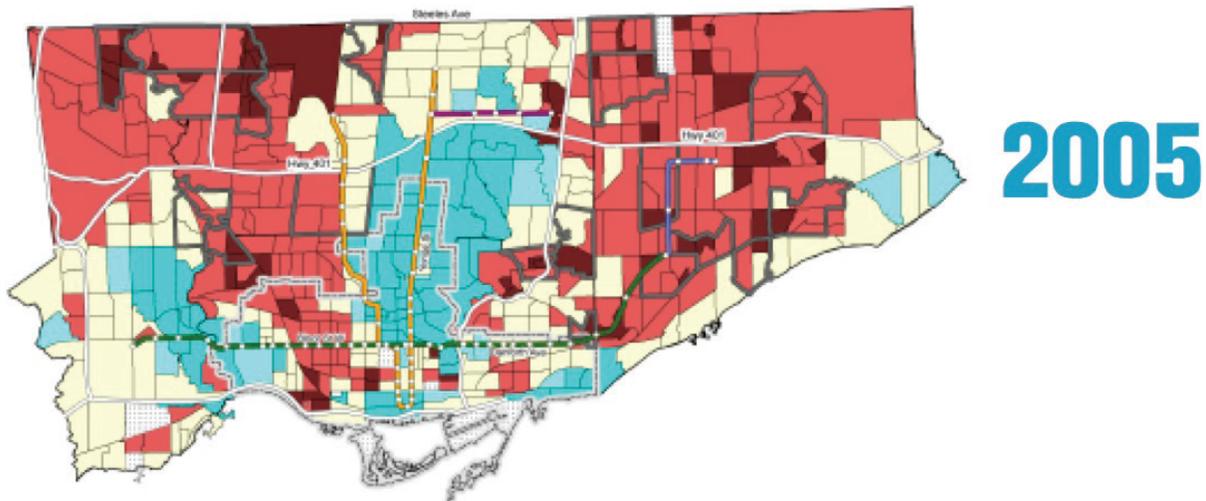
many countries including Canada into defensive positions on social spending and taxation policies. Income inequality is a complicated global and national problem involving factors such as technology, globalization, and corporate practices. This issue tends to leave a concerned citizen who wants change feeling somewhat inadequate in facing these large outside forces. It may be helpful to ‘go local’ and understand inequality as we can see it right here in Toronto.

Dr. David Hulchanski headed

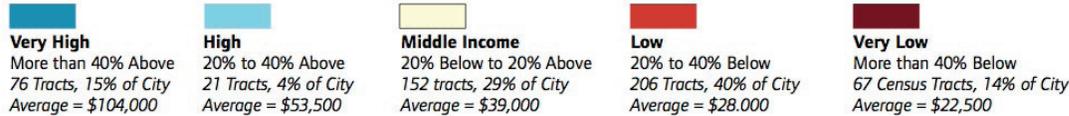
geographic size, another falling and splintering, another slowly growing.

City one is defined as high income at 20 per cent or more above the average income for Toronto. In 1970, 15 per cent of neighbourhoods were classified as high income. Today city one comprises 18 per cent of neighbourhoods in the city, is located mainly in the central downtown area, where it is well serviced by public transit and other services so it is the city that is slowly growing.

MAP 3: AVERAGE INDIVIDUAL INCOME, CITY OF TORONTO, Relative to the Toronto CMA, 2005



Census Tract Average Individual Income Relative to the Toronto CMA Average of \$40,704 (estimated to 2001 census boundaries)



jobs that paid middle income wages. That number has fallen to 17 per cent today, the difference filled by high paying white collar jobs requiring post secondary education, or low paying, precarious service jobs. Most of the remaining manufacturing jobs are located in city three, and most of the service jobs are held by city three citizens.

2. Education: 61 per cent of city one individuals hold a post secondary degree of some kind compared to 35 per cent and 31 per cent of city two and three, giving city one individuals much better chances to obtain higher paying white collar jobs.

3. Shelter: 50 per cent of city three people are renters, a higher figure than in city one or two. Renters spend much more of their income on rent than homeowners. Toronto has about 1200 medium to high-rise rental apartments, most built in the late 60s to early 80s in north eastern and western part of the city mixed in with suburban

housing. Many of these aging apartments need upgrading, are energy inefficient, and overcrowded.

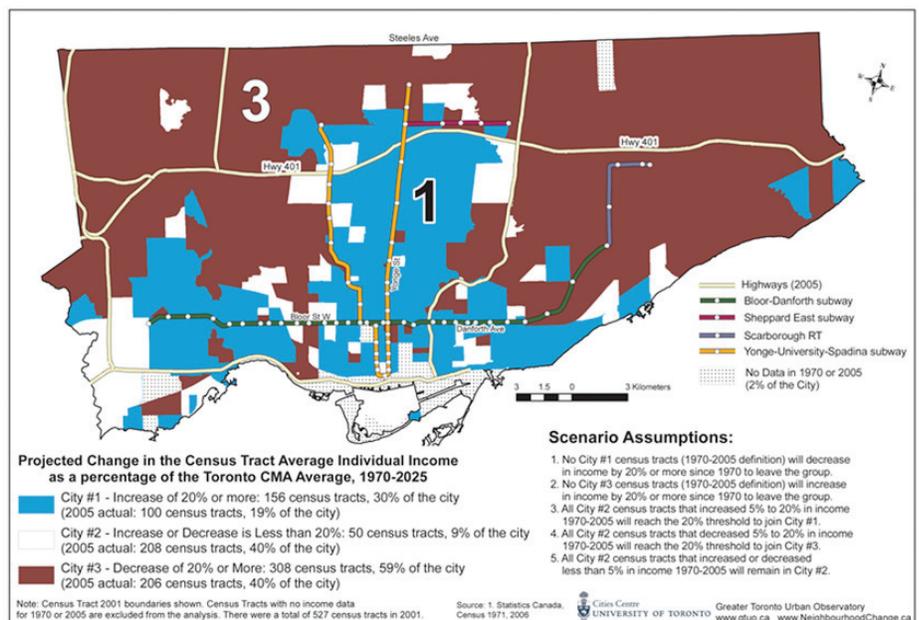
4. Travel: city three people have to travel further to their jobs than the other two city peoples, and only 19 of 68 subway stops are located in

or near city three neighbourhoods. The map for 2005 shows how city one is clustered solidly around the Bloor-Danforth and Yonge subway lines.

Continued overleaf

MAP 7: PROJECTION OF THE "THREE CITIES" IN TORONTO TO 2025

Based on the 1970 to 2005 Trends in Census Tract Average Individual Income, Assuming No Change in Trends



What should be done?

The Hulchanski report emphasizes that the bleak 2025 scenario for a divided city is not inevitable. City and provincial governments can prevent it with new programs or amplifying existing ones.

Affordable accommodation is the major expense for low-income people. Social housing rent supplements leave them with more to spend on other needs. Inclusive zoning that stipulates the inclusion of 15 to 20 per cent affordable rental housing in any new development can encourage mixed neighbourhoods. Vacancy decontrol allows landlords to charge any level of rent after the original tenant leaves. This has the effect of pushing low income people out when an area is gentrifying, and should be ended. And about half of 1200 or so existing rental high rises badly need upgrading to make them livable.

Can it be done?

It is in the self-interest of middle and upper income Torontonians to support these policies because moving towards a low-income majority means lower property values, a lower tax base, and increased expenses for support services for the city government. This is a familiar pattern of downward spiral that has occurred in US cities. However, appeals to the self-interest to the better off may not be enough to bring about change. David Hulchanski has another approach.

Political action by city three

He notes that Central and Northern European countries have less income inequality than Canada,

Britain, New Zealand, Australia, and the USA. He sets aside the common explanations-political ideologies, and national history, and takes a novel approach to explain why: different voting systems. The European countries all have variations on proportional representation (PR) while Canada, Britain New Zealand and the USA have first past the post systems. (FPTP) He asserts that PR systems give underrepresented groups –low income people, for example – more of an opportunity to gain the political leverage necessary to improve their condition.

Toronto's present system allows one candidate, usually an incumbent, to win with a low percentage of the vote, say 20 per cent, because the other candidates split the remaining votes. Fair Vote Toronto states "that winner- take- all voting means that voters have to compete against one another to win representation on City Council. Only a portion of voters in each ward can elect a Council member, leaving many if not most unrepresented." Advocates for low-income citizens with new ideas find it difficult to win office against entrenched incumbents.

At the time of this writing City Council may have already voted to change the voting system. If they do not, they will have to answer to a majority of citizens who do want change. Fair Vote Toronto states that the last national poll indicated that 72 per cent of Canadians wanted some form of proportional representation at the federal level. There is no reason that this desire for change could not begin at the city level in Toronto.

Additional resources:

Web sites:

- www.NeighbourhoodChange.ca for the Hulchanski report
- www.fairvote.ca/Toronto for voting system alternatives.

Books:

- *Ill Fares the Land* by Tony Judt, Penguin Books, 2010, is a short, gracefully written, non-technical introduction to the social and economic consequences of inequality as experienced in developed countries. Judt wrote the book to try to answer why our societies abandoned the idealism of the 1960's to produce the unequal society we have today.
- *Plutocrats: the rise of the new global super-rich and the fall of everyone else* by Chrystia Freeland, Doubleday Canada, 2012 won the Lionel Gelber prize this year for the best non-fiction book by a Canadian author. Born in Peace River, Alberta, Freeland has had a distinguished journalistic career as a financial and business commentator. She argues that we are going through a second Gilded Age, led by a new elite – the top .01 per cent not just the 1 per cent, and her profiling of them all over the world makes for a great read.
- *The Price of Inequality* by Joseph Stiglitz W. Norton, 2012 written by the noted Nobel prize winning economist who details the causes of the 2008 financial crisis, the flawed response to it, and the consequences of rising inequality. A longer book than the other two, but Stiglitz writes well, and the reader will learn a lot about these issues.

OTPP faces funding challenges

Pension agreement alleviates 5.1 billion shortfall in next two years

By Charles Hawkes and Paul Headdon

THE ONTARIO TEACHERS' PENSION PLAN HAS REACHED an agreement with the provincial government that will alleviate a shortfall of \$5.1 billion in the next two years.

The changes will not affect anyone who retired before 2010, but will affect inflation protection and possibly the contribution rates for working teachers when they retire.

The agreement also allows the OTPP to be more aggressive in its portfolio investments, and freezes the government's pension contributions for the next five years.

The OTPP faces several challenges to fund pensions. First, the number of working teachers in relation to the number of retirees has been in steady decline. In 1970, working teachers outnumbered retirees by ten to one. This dropped to 4 teachers per retiree by 1990, and fell to 1.5 working teachers to 1 retiree today. Contribution rates for teachers into the pension plan rose from 5 per cent in 1970, to 8 per cent in 1998, to 13.1 per cent in 2014 but these increases cannot overcome the low ratio of working teachers to retirees. The gap between income flowing in from teachers, and pensions flowing out must be bridged by some reduction in benefits for future retirees and an increase in income from investments. In an era of low interest rates, the OTPP needs greater flexibility as to the types of investments it makes.

The impact of low interest rates upon pension requirements is quite dramatic. OTPP calculates that the cost of financing a typical \$40,000 pension with interest rates at 5 per cent requires \$575,000 to be set aside; at 3 per cent \$730,000, and at 1 per cent \$970,000. Investments outside of the traditional bonds and fixed

income securities that provided sufficient returns when interest rates were higher need to be mixed now with investments that yield higher gains such as private equity deals, and in countries outside of North America and Europe with higher growth rates.

The final issue compounding the financial challenges—good news for retirees, a problem for the pension fund—is the increase in life spans. In 1970, retirees collected for 20 years. Today it is 30 years, and still rising. It is quite conceivable that future retirees will collect pensions for a longer period of time than they spent as teachers.

The deal with the government stipulates that teachers who retired after 2009 will have their inflation protection (COLA) reduced to 50 from 60 per cent of the portion of their pension earned after 2009. This change occurs after 2014. The COLA for pension credit earned after 2013 will be reduced to 45 per cent starting in 2015. Future inflation protection will depend upon the status of the pension fund. If the shortfall continues, teachers will vote on their preferences for changes such as their contribution rates, the COLA, or actual pension amounts. The next evaluation will occur in January 2016.

The teachers' pension plan has won numerous awards for its management prowess, and the service it provides for its members. Proof of that expertise is shown in its 13 per cent return on investment for 2012 compared to a 9.4 per cent average for other pension funds. It regularly scores 9 out of 10 in the scores given by its retirees for service. Its size and importance in economic terms both inside Canada and outside is well known. Teachers and retirees—if not opposition politicians—can have full faith that it can meet its future challenges.

www.armchapter12.org

- New ARM Members Area -

Trading Post | Announcements | Personal Connections | Health

Visit us on Facebook:   @ARMChapter12

Austerity, Ontario-style: who needs it?

Tax cuts for the well-off mean less money sustaining the economy as services and jobs are eliminated

By Manfred Netzel

As I pen these remarks in the first week of April, it seems that spring has finally given an indication that its arrival is imminent, if not delayed, according to Wiarton Willy and his related marmots in the rest of North America. And like the groundhog, Ontarians should also be nervous and wise not to forage too far from their warm and familiar burrow, be it their family, job, investments or travel destinations.

Why so, you may well ask? Clearly, the winds of economic austerity have been blowing across this city, province, country and global environment since 2009, and governments at all levels have adopted an acceptance of such frugality as both necessary and unavoidable. After much grudging acquiescence by most citizens, convinced that such collective and individual belt-tightening is the way to go, a well-researched and argued counter thesis has finally been presented. I think it merits some closer scrutiny.

Specifically, a detailed report issued in mid-March by the Canadian Centre for Policy Alternatives' (CCPA) Ontario Office called "More Harm Than Good," has made the case that Ontario's experiment with current policies of austerity is contributing to an economic slowdown that demands a radically different course of action in 2013. The co-authors, CCPA Ontario Director Trish Hennessey and CAW economist Jim Stanford (a keynote speaker at our Chapter 12 AGM a few years ago), argue that the overt combination of federal, provincial and municipal program spending cuts is "creating a fiscal drag on Ontario's economy that will reduce the province's GDP growth by 3 per cent over the next few years." As overall Canadian GDP growth slowed to almost zero per cent at the end of 2012, combined with more public spending cuts and negligible private sector growth, Stanford says that this could well create another recession.

The co-authors' research findings show some further interesting points to consider:

- * Ontario's deficit had already fallen to \$11.9 billion by 2012, so the deficit predictions used by the previous Liberal Government to justify their shift to austerity

budgeting were wildly overstated the actual numbers were barely one-third of the inflated forecast

- * Ontario's provincial deficit would gradually continue to disappear, despite weak economic recovery, without the need for public service cuts, lay-offs and wage freezes.
- * Ontario's economy is capable of producing \$70 billion more in goods and services, so that this additional output along with existing revenue streams would eliminate the existing deficit in due course
- * Current lay-off levels in both the public and private sectors have led to 250,000 fewer Ontarians working and contributing to a \$52 billion loss in potential labour income, and the resulting losses in tax revenues.

So why is this clearly faulty economic course of action being followed by Canadian politicians at all levels of government? It starts in Ottawa, where the current Harper Conservatives have taken pride in making Canada the leader in low-tax jurisdictions amongst the most highly developed nations in the world. Due to expensive GST cuts, pension-splitting benefits and increased tax credits for the wealthy, statistics now show that Canada's race to cut tax revenues in 2011-12 was outstripped in the OECD only by New Zealand and the Slovak Republic. Rather than putting further tax cuts on hold when the recession began in 2008, Ottawa cut another \$130.4 billion in revenues between 2008-9 and 2012-13, while creating new deficits of \$115.8 billion due to new borrowing costs and not using operating surpluses of \$38 billion from previous federal governments.

According to Queen's University Law Professor Kathleen A. Lahey, these tax-cutting and austerity policies are not only expensive for all Canadians but also sexist, since men benefit mostly from these tax cuts while women are more affected by spending cuts. Specifically, she claims that since men receive about 63 to 64 per cent of all income earned in Canada, they can end up benefitting from up to 90 per cent of specific tax cuts.

On average, women's share of such tax cuts is between

38 and 40 per cent, so every time money falls out of the federal tax system, women are shortchanged. In actual numbers, in 2012-13 when some \$40.1 billion was available to Canadian taxpayers through tax cuts, men ended up receiving \$5.6 billion of women's actual share of the pay-out. In addition, Lahey claims that the price women pay for tax cuts is not limited to losing their fair share of savings.

It also means a cut in GDP and revenue leakage for new or improved social spending. Thus, the long-overdue national child care program established by the Liberal Martin Government in 2005 was replaced with programs that reward women for not working and without pay or benefits. The Universal Child Care Benefit and pension income-splitting with the spouse or partner is the result. Lastly, the cuts to EI and publicly funded job creation and training, women's health and the OAS/GIS income support programs in the 2012 Flaherty budget all hurt women disproportionately.

Of course, the ripple effects of these policies at the federal and provincial levels have a direct impact on municipal governments and school boards across Ontario. The City of Toronto and TDSB are both faced with the political and financial dilemmas of trying to maintain services and programs, while having to balance budgets

and protect the local taxpayer.

The evidence of such a balancing act is clear to everyone after watching the recent budget theatrics at City Hall and the ongoing pain of at least 250 staff cuts in TDSB high schools for the 2013-14 school year. Of course, the real hammer will drop for the TDSB when serious school closures occur in the next few years – when, not if.

Sadly, there are real options that governments in Canada could consider, but these would take political courage and social compassion to implement. Thus, Ottawa could stop with its plans to further cut top personal income tax rates and enact parental income-splitting in 2014 or 2015. The latter decision alone will cost the Canada Revenue Agency between \$7 and 9 billion annually. Reversing the two per cent of GST cuts in 2006 and 2008 to the current HST would generate \$2.6 billion for each percentage increase. For Ontario, raising the income tax rate for incomes of over \$250,000 could generate up to \$700 million in additional revenue. A further \$2 billion or more in tax revenue is possible for each by either raising existing gasoline taxes by 10 cents a litre or ending the current exemption for some Ontario businesses from paying the full employer health tax. Following the old adage, where there's a will there's a way.

ARM Chapter 12 Annual General Meeting

Wednesday, June 5, 2013

2:30 pm – Registration

3:00 pm – Call to order

*Guest speaker Erika Shaker, Education Project Director
for Canadian Centre for Policy Alternatives (National Office)*

Dinner following

OSSTF Provincial Office, 60 Mobile Drive

Call Jim Loftus 416 447-0811 to confirm attendance



Steve Fuller's Toronto

How do animals eat?

A lesson in evolution and adaptation

What is an animal?

Here's a little bit of scientific classification to help guide you.

The classification

champ is Linnaeus (Carl von Linne), a Swede who, a lot of years ago, gave biology, paleontology and other life sciences a major boost by setting up a classification system (taxonomy) for organization, communication, and investigation. We are all familiar with our classification, "Homo sapiens sapiens". "Homo" (always capitalized), is our Genus, "sapiens" our Species and the second "sapiens" our Subspecies.

One of our closest relatives, of course, is Homo sapiens Neanderthalis, Neanderthal man, whose fossils were first uncovered in the valley of the Neander River ("tal" means valley) in Germany. Neanderthal, being a geographical name, is capitalized. Another example, unfortunately too familiar, is Cannabis sativa Indicus. Here's a brief summary of the classification scheme:

- Kingdom - five kingdoms- Monera (bacteria), Proctista (Amoeba), Plantae, Fungi, Animalia
- Phylum - Chordata - hollow dorsal nerve cord
- Subphylum - Vertebrata - bony spine
- Class - Mammalia - hair, constant body temperature, feeding of young with milk
- Subclass - Theria - live births or eggs (Platypus)
- Order - Primata - binocular vision forward (3-D) (primates, lemurs, etc.)
- Family - Hominidae-great apes
- Subfamily - Hominae - apes, monkeys, humans
- Tribe - Hominini - canine tooth which looks more like an incisor
- Genus - Homo - (man) - large brain relative to body size
- Species - sapiens (wise) - language, more sophisticated tools
- Subspecies - breed, race, strain - controversial
- Recent ancestors are Homo erectus and Homo habilis and others. All living organisms have, a curriculum vitae similar to this one.

So what do we conclude from this? We are, like all

other organisms, the result of a long evolution to reach the top of the biology pyramid, but all other animals (and plants, fungi, etc.) have a similar evolutionary tree. The anatomical features which make us unique also lead us to accomplish tasks in myriad ways (locomotion, reproduction, food acquisition and processing

This latter I will discuss here, with examples from the Kingdom Animalia which show differences and similarities among our evolutionary contemporaries.

Mostly, only very simple immobile animals (corals, sponges) wait for food to drift by and then use built-in filtering methods to catch small organisms. Two huge exceptions are some whales (eg, sperm whale) and fish (whale shark). If your food moves, however, you have to be really active in just capturing the body. So let's consider a few of our animals relatives and their methods.

Catching the food:

- Chase and grab - spiders, insects, millipedes and centipedes, crustaceans ("shellfish")
- Sit and wait - some molluscs ("shellfish" - clams, etc), spiders with webs (some of these are filter feeders like the most basic of animals), sponges, corals, etc.
- Outrun, stealth - lions, tigers, fish, frogs, turtles, birds, bats, cheetahs (predators)
- Live inside the prey - parasite worms, insects - very convenient, but house-hunting is problematic
- Scavengers - various mammals (lions, humans, insects, vultures)
- Vegetarians - which, for the most part, have the easiest methods; they don't have to usually go far, fast, or chase anything. The vast majority are grazers of grasses, parts of plants, etc.

Can you see that humans are at the bottom? We have no long fangs or claws, we can't run very fast or very long (with notable exceptions), we don't have particularly acute senses such as smell and vision or other abilities except for a few evolutionary enhancements. We have the dexterity and freedom of our hands, the 3D vision of our eyes, an upright stance for seeing from a position of advantage and so forth but, most importantly of all, a huge brain.) We are, however, very capable in

being scavengers. My daughter worked in a paleolithic cave in the Alps in which they found the first evidence of necrophagy (the consumption of human flesh as nutrition rather than cannibalism, a ritual procedure in which only specific parts are eaten, such as the heart for strength or the brain for wisdom and sagacity).

Here are some interesting methods:

- Starfish (Phylum Echinodermata)- The steady pull of their arms weakens and then opens the bivalve shell of a scallop, clam or oyster. The stomach is then everted and inserted into the shell and produces enzymes which liquefy the internal organs of the victim and absorbs the liquid.
- Frogs (Phylum Amphibia)- Their tongues are connected behind the lower lip. They flip it out so that its sticky surface grabs insects.
- Octopi, squid (Phylum Mollusca) - The tentacles on these have suction cups which capture fish and other prey. The tentacles bring the prey to the beak-equipped mouth which tears the prey into small pieces.
- Lampreys (Subkingdom Chordata) - These are not real eels; they have no jaws, but grab their prey with a suction-cup-like oral opening. Inside is a very abrasive tongue which rasps a hole in the skin of their prey and the take in the resulting juices.
- Fish (Phylum Pisces) - These have jaws and teeth with which they can capture their prey.
- Insects, crustaceans (Phylum Arthropoda) - These organisms, such as spiders, insects, lobsters and crabs, centipedes, and scorpions have a huge variety of mechanisms. The two most common are intake through feeding tubes (mosquitoes) or horizontally-moving jaws, aided in many cases by claws adapted into pincers.

And on and on and...

So what's different about humans?

I guess this is closest to my heart, although some people seriously question my being in this category (just kidding). Seriously, human attributes are many so let me describe some of these and their connection to our food-for-survival efforts.

- The two most important elements, in my opinion, are our brains which are huge relative to our size. Sure, elephants and whales have much bigger ones, but they don't have neural networks and

interconnections of neurons anywhere near the complexity of our. (For an extremely interesting and revealing article about the abilities of our brain, read the January 14, 2013 issue of Macleans Vol. 126, No.1, p.24, "Miracle Man") about a Canadian soldier's injury and his on-going recovery. A teenage Afghani almost cleaved his brain in half with a homemade axe and a sneak attack during a supposedly peaceful meeting with village elders.

- The other element is forearms with 360 degrees of motion having extremely dextrous fingers which can move with elegant precision to carry out instruction sent from the brain. Also important is a bipedal stance which frees the forelimbs from the jobs of body support and locomotion.
- We have a set of teeth capable of processing virtually any food such as animals, plants, fungi, algae.
- We have a digestive system which is a compromise and which can process virtually anything we eat.
- We have knowledge. Our brain directs us on making tools to assist our quest: spears, bows, throwing sticks, boomerangs, fishing nets, planting and harvesting equipment, boats and rafts used in hunting – the list is endless.

The Toronto connection

How blessed we are to live in Toronto! Here are some methods of investigation, not in any particular order.

- The ROM (Royal Ontario Museum) has literally thousands of displays which will amply show you the adaptations I've mentioned.
- The Metro Zoo to see living examples, particularly in Chordates, animals with spines
- The Toronto Library, particularly the main branch on Yonge Street north of Bloor (789 Yonge Street, 416-395-5577)
- Go to ethnic restaurants in which the culture they represent has different eating methods, from finger foods, pita scooping or bread dipping, chopsticks, etc. Note that finger food does not include the junk food of the Colonel. One interesting example I've noticed is that, when I go into a real Chinese restaurant (no white faces for me, please) the rice bowl is held very close to the mouth and the rice is shoved in almost like using a shovel; note that restos of this latter type don't serve fried rice!

Do you enjoy Toronto's theatre scene?

Join ARM 12's new Theatre Club

We are creating a theatre club for ARM 12. The plays selected would usually be at the smaller theatres in Toronto, such as Tarragon, Factory, Canstage, Soulpepper, and the Mirvish smaller productions. The club members would be offered two plays from September to the end of December and two plays from January until June. We would not be taking out a subscription to a series of plays at one theatre. This is separate from our Stratford excursions.

This would operate differently from other ARM 12 events

- ARM 12 Members would be advised through *After School* and by e-mail about the creation of the ARM 12 Theatre Club.
- Those interested would sign up to be members of the club (see below).
- The plays being offered for that half year or year would be sent to the club members by e-mail or if they have no e-mail by letter.
- The members would only sign for the plays they wanted to attend. You are not committed to attend all plays in a

given year.

- We would not be advertising each play in After School – only the existence of the ARM 12 Theatre Club
- The plays would be selected by a small committee of ARM members, who are members of the club.

How tickets will be purchased and paid for would have to be worked out after we find out how many people are interested. The members would eat at a local restaurant prior to attending the theatre.

As long as there are enough ARM members interested, the club would be created.

If you are interested in joining please do the following.

Contact Paul Rook by e-mail prook@sympatico.ca (the preferred method) or phone 416-292-9919 and provide the following information:

- Your name(s)
- E-mail address
- Phone number
- Home address

Turning on your imagination

Storytelling Festival No. 35

By Julia Harney

This annual Toronto event featured tellers from across the city, the province, the country -- from sea (St. John's), to sea (Victoria), to sea (Peawanuck, Hudson Bay) -- and from around the world: Europe, Africa, South Asia, East Asia, the Caribbean, South and North America. The festival included one of our own ARM 12ers, Maryaleen Trafford, in the Grimm Remix section. The majority of the festival was at Daniels Spectrum, the new arts and culture centre on Dundas Street East, in the midst of the Regent Park area renewal.

The rejuvenation of the ancient oral literary art form has been happening in the developed world for some decades and, because this city is one of the leading centres of that movement, our festival is especially vibrant, exciting and one to follow. This year, it was also a host in the celebrations of the 200th anniversary of the Grimm brothers famous collection of European tales, most of which speak as much to adults as to children, with their themes of violence, ghosts, sex and scandal. In fact, as I listened to some of these, I was reminded again that storytelling really is for all ages, and the

festival did an excellent job of staging events for all of us; eg, the Bata Shoe Museum had performances and workshops for kids of all ages, there were workshops and tellings for teachers (who pass on these traditions), and at Daniels Spectrum a full gambit of workshops and performances for adults.

In addition to the Grimm anniversary, other themes were explored: the role of women in saga, myth, legend and history, experimental ways to tell stories, stories from the local youth, a special project of the festival, the lives of local tellers, young and mature; and the intense family story of *Bookworm* by Conn Raymond.

Overall, the festival (March 16, 20 – 24) was a grand happening. It can be reviewed at www.torontostorytellingfestival.ca where, later in the year Storytelling 2014 will be posted. There are many storytelling events that can be found at the home website www.storytellingtoronto.org. Note especially the upcoming Legless Stocking evenings in April and May.