

MONTREAL, SWEET BY SWEET

A tour of the city's greatest pastry shops is also an entry point to its most happening neighbourhoods

GLOBE LIFE & ARTS



THE GLOBE AND MAIL

CANADA'S NATIONAL NEWSPAPER • TUESDAY, JULY 22, 2014



FLIGHT MH17

Rebels release bodies, recorders

Move comes as international pressure mounts; Russia blames Ukrainian fighter plane for downing jet



Amsterdam's Schiphol Airport has become the site of a memorial to the victims of Malaysia Airlines Flight 17. PAUL VREEKER/UNITED PHOTOS/REUTERS

MARK MacKINNON LONDON

Russia is defying international pressure to drop its support for separatists in eastern Ukraine following the shooting down of a Malaysia Airlines passenger jet — instead advancing its own narrative suggesting the rebels may be innocent and laying blame for the tragedy on the Ukrainian military.

Canada announced a fresh round of sanctions against Russia on Monday, and U.S. President Barack Obama called for Moscow to “pivot away” from the insurgency in Ukraine. But Russian President Vladimir Putin showed

no signs of blinking. The Kremlin made a point of announcing that Mr. Putin will convene his security council, which includes Russia's military chiefs, on Tuesday.

It's not clear what security issues he has in mind, but the meeting seems likely to involve Moscow's relationship with the eastern Ukrainian rebels. Russia's defence ministry, meanwhile, rolled out an elaborate alternative theory that suggested a Ukrainian fighter plane had played a role in the downing of Flight MH17 and the deaths of all 298 people on board.

In a rare sign of co-operation,

the UN Security Council, where Russia sits as a permanent member, passed a unanimous resolution calling for immediate access to the crash site, and for the repatriation of the victims' remains. There were also signs of progress on the ground: The rebels handed the “black box” flight recorders over to a Malaysian delegation, and a train loaded with 282 recovered bodies was finally allowed to leave the rebel-controlled area, headed toward the government-controlled city of Kharkiv and a waiting plane to move the remains to the Netherlands.

Ukraine, Page 8

INSIDE

What is the Donetsk People's Republic?

Mark MacKinnon reports on the murky and chaotic rebel-held region, where no one is really in control

Folio, Pages 6-7

SENATE SCANDAL

RCMP reveal new details of charges against Duffy

STEVEN CHASE OTTAWA

Mike Duffy billed taxpayers “inappropriate” costs for attending funerals, the RCMP allege in new court documents that also accuse the suspended senator of diverting money to fund “illegitimate expenses” such as a make-up artist.

The PEI politician is facing 31 criminal charges laid July 17 by the RCMP, who have accused the Conservative appointee to the Red Chamber of misspending. His first court appearance is Sept. 16, but a trial could take until the fall of 2015 to begin.

On Monday, the RCMP offered more details on these charges in an Ottawa court filing, and the documents show the Mounties have flagged five of Mr. Duffy's expense claims for attending funerals “and related ceremonies” between April 10, 2009, and March 2, 2012.

These claims “contain false or misleading information,” the court filing says. It's not clear precisely which expenses the RCMP are targeting, but current Senate rules say a senator may only claim travel expenses for attending the funerals of dignitaries, senior government officials, parliamentary colleagues and other VIPs.

In Monday's court filing, the Mounties allege Mr. Duffy committed fraud by “awarding consulting contracts in favour of Gerald Donohue,” a friend. They also accuse the senator of taking public money earmarked to be paid to Mr. Donohue and instead funneling it to three other individuals for services the Mounties deem “illegitimate expenses.”

Duffy, Page 4

ESPIONAGE

B.C. resident charged in U.S. with directing Chinese spy ring

COLIN FREEZE TORONTO
ALEXANDRA POSADZKI
VANCOUVER

A Chinese man accused of being the “directing mind” behind a corporate-espionage conspiracy to steal jet-fighter secrets from Pentagon contractors is a Canadian immigrant who is being stripped of his residency status.

Su Bin, 48, a Beijing businessman with a home in Vancouver, will find out in a B.C. court on Wednesday whether he will get bail. U.S. officials allege he gave instructions to hackers in China that helped them zero in on which secrets to steal from the computers of Boeing Co. and oth-

er firms for the benefit of Chinese aviation companies.

The FBI allegations against Mr. Su, which were made public earlier this month, concern intercepted e-mail conversations dating back to 2009 with two professional computer hackers in China. He is charged with conspiring to gain unauthorized access to a protected computer.

The allegations highlight a growing fear among intelligence officials that North America's military and industrial edge is being dulled by immigrants who are accepted as legitimate professionals but seek profit in illegally moving secrets overseas.

Espionage, Page 12

PUBLIC SAFETY VS. PUBLIC ACCESS

Appeal court rules against canoeists' right to portage

RENATA D'ALIESIO

An Ontario township in lake-studded Muskoka has lost a court bid to have the government recognize the public's right to portage a historic canoe route at Bala Falls.

In an Ontario Court of Appeal ruling released on Monday, a panel of three judges concluded that the protection of public safety trumps canoeists' access to portages and shorelines on Crown land. The decision marks one of the few times Canadian courts have examined whether carrying a canoe between waterways is a right in a country explored and settled by paddlers.

The canoe helped build scores of communities across Canada. Bordered by the Moon River and Lake Muskoka, the area's water highways once drew cartographer David Thompson in 1837, according to a journal of his. He was travelling upstream in search of a water route from Georgian Bay to the Ottawa River.

The right to navigate Canada's waters has long been protected under federal legislation and common law. But in the Township of Muskoka Lakes' case, the Appeal Court found that this right does not include transporting a canoe over “another's land.”

Portage, Page 4



Rob Carrick

Saving for a down payment? Sacrifices must be made.
Report on Business, Page 9

ONTARIO EDITION

Toronto: High 30, Low 19
Complete Forecast: Page 12

Globeandmail.com access is FREE to all 5-6 day subscribers.
Subscribe at tgam.ca/globeunlimited



ARMED FORCES

Officer accused of wearing fake medals

Complaint about lieutenant-colonel's awards has resulted in three charges of unlawful use of military attire or certificates

SAHAR FATIMA

A high-ranking military official faces multiple charges after allegedly wearing medals on her uniform she didn't earn.

Lieutenant-Colonel Debbie Miller, a 34-year veteran of the Canadian Armed Forces currently posted to the Canadian Defence Academy in Kingston, is expected in court in October on three charges of unlawful use of military uniforms or certificates.

The 57-year-old also faces eight charges of conduct to the prejudice of good order and discipline.

Military police launched the investigation after another member of the military filed a complaint about Lt.-Col. Miller's medals in December, 2012, said Captain David Hitchcock, detachment commander at 2 Military Police Regiment in Kingston. Lt.-Col. Miller was charged in April the next year.



Lt.-Col. Debbie Miller
PTE ISABEL LAVALLÉE-RABY/CANADIAN FORCES

"I believe she was outed at an event or something with her unit and someone there noticed," Capt. Hitchcock said, adding that investigators then conducted interviews and used photos to probe the allegations against Lt.-Col. Miller.

Captain Joanna Labonte, spokesperson for the Provost Marshal, said Lt.-Col. Miller is still on duty in Kingston, though it's unclear whether her duties have changed.

Lt.-Col. Miller did not return multiple voicemail messages left at her Defence Academy number in Kingston.

While in Kingston, Lt.-Col. Miller reviewed books and wrote an opinion piece for the Canadian Military Journal about a new strategy to modernize armed-forces training and education.

In a short biography under her articles, she used the postnominal letters OMM and CD, suggest-

ing she'd received the Order of Military Merit for officers, a badge recognizing exceptional service by a Canadian Forces member, and the Canadian Forces' Decoration medal, awarded for completing 12 years of service. Capt. Hitchcock refused to confirm which medals are at the centre of the allegations against Lt.-Col. Miller.

Lt.-Col. Miller was also stationed until 2009 at CFB Trenton, the air force base that manages delivering supplies, troops, equipment and humanitarian cargo worldwide. She was quoted in several publications in 2008 and 2009, including CFB Trenton's weekly newspaper the Contact, Northumberland News and the Belleville Intelligencer, while she served as the administration officer, speaking about the base's need for more resources and promoting a 2009 anniversary celebration and air show.

In a February, 2009, issue of the Contact, Lt.-Col. Miller wrote a short piece about a Crystal Ball event sponsored by the Quinte Children's Foundation to raise money to prevent child abuse and help children go to summer camp or play sports.

"I was once a child and I well know what it was like to be loved, encouraged, educated, and made feel like a part of a great community," Lt.-Col. Miller wrote. "My siblings and I grew up in an atmosphere of encouragement and the fact that anything was possible, so I cannot imagine a child not being able to participate in something they loved."

She and four others were recognized by the foundation for their efforts to improve children's lives.

The highest penalty for someone convicted of conduct to the prejudice of good order and discipline is dismissal from service with disgrace.

VANCOUVER

Five-hour SkyTrain shutdown strands thousands

IAN BAILEY
MARSHA LEDERMAN
VANCOUVER

For the second time in five days, the entire SkyTrain light-rail system covering much of the Vancouver region was off line — blamed on a computer glitch that left cars stalled between stations and thousands stranded across Canada's third-largest transit system.

Monday's five-hour shutdown, blamed on a "technical issue" by a spokesperson for the region's transit authority TransLink, prompted dozens of passengers on the 68-kilometre system to get out of stalled trains and dangerously walk near electrified tracks, some elevated, to stations.

TransLink spokesperson Jiana Ling said Monday's shutdown of the Expo and Millennium lines was the result of a "technical issue" but had no other immediate details.

"It's unfortunate this did happen" Ms. Ling said in an interview "We're still at 95 per cent reliability on the system, which is quite high."

In a statement last week over the July 17 incident, SkyTrain president and general manager Fred Cummings said that was caused by a "computer problem" and expressed regrets to passengers. He was unavailable for comment on Monday.

However, SkyTrain sent out a tweet late Monday afternoon as the system finally came on line that read: "E-line, M-line back to regular service. Thank you for your patience and sorry for the inconvenience."

There was no immediate estimate on how many passengers were affected Monday, but the numbers were thought to be in



Commuters are stopped by a gate at the Stadium-Chinatown station during a lengthy delay in service in Vancouver on Monday. BEN NELMS/THE GLOBE & MAIL

the thousands.

When the system crashed on July 17, transit police estimated that at least 10 people on trains forced open doors and walked the tracks, but on Monday, transit police spokeswoman Anne Drennan reported that "dozens and dozens" of passengers decided they couldn't wait after the 12:30 p.m. shutdown.

She said passengers risked serious injury or death by walking near tracks that carry a 600-volt charge. Transit police and TransLink staff were going out on the tracks on Monday to evacuate passengers from stalled trains only to find that some passengers had already decided to leave the trains.

"We were surprised today at the numbers of people that were

doing this, particularly since a warning had gone out to people four days ago after this happened. We do understand people are frustrated and some people are claustrophobic and they're frightened," said Ms. Drennan.

"Their first thought is just to get out and get off. Officers understand the mindset of people, but we also have to let people know the risk they're taking."

Cars can't move unless the doors are closed, but some doors were damaged by the unauthorized exits so staff were struggling to fix them so they could get trains moving again, said Ms. Drennan.

As trains slowly came back on line, thousands remained inconvenienced. Frustrated passengers struggled to find ways to get

around, many on buses that TransLink arranged to run between stations.

Some Vancouver-region mayors were also fuming. "Repeated SkyTrain outages unacceptable. Transit system need stable funding + local accountability," tweeted Vancouver Mayor Gregor Robertson, facing a bid for reelection this November in a campaign where transit is likely to be a major issue.

Monday's shutdown comes as the mayors and the B.C. Liberal government are trying to agree on options for a sustainable funding model for the regional transit system as it exists. They're also looking at funding for billions of dollars in new transit projects that include an underground line across Vancouver

along its Broadway corridor. SkyTrain, which has been built in sections since the first line opened in 1985, does not run through the City of Richmond, which is served by the Canada Line, but Richmond's mayor said there is a bigger issue of concern around SkyTrain problems.

"If people lose confidence in the system, it will lose ridership as people revert to using cars," said Malcolm Brodie, noting that the regional transportation strategy hinges on people shifting from cars to transit.

Early Monday afternoon outside the downtown Burrard SkyTrain station, would-be passengers were being turned back at the entrance with a simple "SkyTrain's closed, guys," from TransLink staff. Bus-route alternatives were being offered if passengers asked.

Charmaine Gullacher, a student from the British Columbia Institute of Technology, facing a 12-kilometre bus ride to the suburban Metrotown mall in Burnaby before trying to get home to Surrey, called the situation a "disaster."

She said she was disappointed there were no special shuttles. "Especially because it's been down for two hours, you'd think they'd have shuttles."

Kevin Osadchuk, who travelled downtown from Surrey for medical appointments, anticipated a three- to four-hour bus ride back home, and said the situation was disruptive. "It's going to take all afternoon to get back. I won't be able to do anything else now."

Matthew Rigney and Kevin Lally, heading home from construction work at the Trump International Hotel and Tower, were upset — especially as they had both been caught in the last SkyTrain shutdown.

FROM PAGE 1

Portage: Ruling a setback for power plant foes

Moreover, the judges concluded that the Ontario Minister of Natural Resources can prohibit passage over portages if the area is deemed hazardous under the province's Public Lands Act.

Two men drowned near the north Bala Falls in 2009 after diving into the Moon River to save a child.

The province blocked off part of the area last year, using section 28 of the Public Lands Act after the township erected a bright yellow portage sign beckoning canoeists to use the route.

The ministry had "serious concerns with the township encouraging the use of potentially dangerous lands for portaging," said Jolanta Kowalski, a spokeswoman for Natural Resources.

The Township of Muskoka Lakes had maintained an outright ban was unnecessary and unreasonable, noting a study commissioned by the province after the drowning deaths had not recommended prohibiting public access to Crown land.

The appeal court disagreed: "Given the safety concerns, the Minister's decision was reasonable, even if a portage protected by" another section of the act existed, the judges wrote.

The ruling is a setback for opponents of a proposed water power plant at Bala Falls, a picturesque spurt on the Canadian



The fact is that the federal government controls the right to navigate, not the province. Is the right to portage included somehow in the right to navigate?

Sandy Currie
Bala resident

Shield about a two-hour drive north of Toronto.

If the township had won, the Ontario government would not have been allowed to disturb the portage and the 4.5-megawatt hydroelectric project would likely have been halted.

An old water power plant south of the north falls was demolished in the 1970s. The Liberal government wants to harness that energy again in its aggressive plan to expand renewable sources such as water, solar and wind.

The Bala Falls hydroelectric project, awarded to Swift River Energy in 2005, has encountered strong resistance in the community of Bala.

In other parts of the township, some residents have expressed frustration with the amount of public money spent on the legal battle.

Swift River Energy welcomed Monday's court decision, noting on its Twitter account "several SAFER portage routes" are nearby. In a brief note, project manager Karen McGhee said the company hopes to begin work on the site in the fall.

Swift River still requires a land lease from the province and other municipal and federal approvals.

The company estimates it has spent about \$2-million on the proposal so far.

In an e-mail Monday, the Ministry of Natural Resources did not indicate when — or if — that land lease will be granted.

Township Mayor Alice Murphy said the community will seek to identify another portage route. The township could request an appeal to the Supreme Court of Canada.

Bala resident Sandy Currie thinks the country's top court should weigh in — that the issue of public access to shorelines and historic portages on Crown land is of national importance. He hopes other municipalities and organizations consider joining this legal fight.

"The fact is that the federal government controls the right to navigate, not the province," Mr. Currie noted.

"Is the right to portage included somehow in the right to navigate?"

FROM PAGE 1

Duffy: Senator faces breach of trust, fraud and bribery charges

In these cases Mr. Duffy is charged with three counts of fraud not exceeding \$5,000 and breach of trust.

The three included Ashley Cain, who worked for Mr. Duffy in May, 2010, but is now employed in the correspondence unit of the Prime Minister's Office, which she joined in late 2011. One source said Ms. Cain answered e-mail and handled correspondence for Mr. Duffy back in 2010 and a second source described her as a "temp."

The Prime Minister's Office said this was news to them. "Ms. Cain worked for Mr. Duffy in 2010. This is the first we are learning of any of this," Jason MacDonald, director of communications for the PMO, said.

"That said, we are not aware of anyone other than Mr. Duffy who is under investigation or who has been charged in this affair."

The senator also hired Jacqueline Lambert, a professional makeup artist, in 2010, the RCMP said. Ms. Lambert, whom Mr. Duffy would have known when he worked as a journalist at CTV, said her work for Mr. Duffy was pretty simple. "I did a makeup job. I got paid. That's all," she said, adding that the RCMP gave her only last-minute notice that she would be mentioned in the court

filings, "like half an hour before the phone started ringing."

The third individual was Mike Crowsky, the Mounties said. The RCMP didn't explain what work he performed and Mr. Crowsky couldn't be reached for comment, but a source familiar with the matter said he was hired to work on a fitness project designed for Canada's aging population.

The total charges Mr. Duffy faces include 15 counts of fraud for amounts totalling more than \$200,000, 15 counts of breach of trust and one count of bribery. The senator maintains his innocence and said he looks forward to a fair hearing in court, where he will mount a vigorous defence.

As revealed last week, the PEI senator has been charged with bribery due to the \$90,000 he received from former Harper chief of staff Nigel Wright to pay back improperly claimed expenses — even though the Mounties did not charge the ex-aide for writing the cheque.

Mr. Duffy's lawyer has threatened to drag the Prime Minister's Office back into the matter by showing that PMO officials coerced the senator into accepting the money, which was used to reimburse taxpayers. It's possible Mr. Harper could face pressure to give testimony, legal experts say.