

Sam Waksal heads inside: C2

The 55-year-old founder of ImClone Systems checked into a minimum-security prison in Pennsylvania to begin serving his seven-year sentence for securities fraud.



Maple Leaf profits drop: C4

A number of factors, both national and international, contributed to a substantial drop in second-quarter profits for the Canadian food-processing company.

BUSINESS

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Section C

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water cooler

What the rich do

TORONTO — In a recent study of more than 1,000 Canadians, most agree that you are rich when you are in the \$500,000-a-year income bracket and that earning \$100,000 a year is just enough to be comfortable.

Half of those earning as much as \$200,000 a year believe they are getting by on their salary. Interestingly, the vast majority (85 per cent) of respondents making the national average household income of \$58,000 feel they are living quite comfortably, and 10 per cent consider themselves well off, the 2003 American Express Survey of Affluence found.

While most people say they agree with the perspective that "life is for living, money is for spending," the vast majority (82 per cent) said that if they received an unexpected windfall, they would use it to pay off debts or to invest. Only 15 per cent said they would spend it.

When they do decide to indulge, regardless of income, Canadians say they tend to shop around for the best prices. Home improvements, entertainment, sports and hobbies, and travel are among top items people choose to spend their discretionary income on.

Canadians earning more than \$200,000 a year don't think they live lavishly. They are twice as likely as most people to spend \$2,000 per person on a vacation (48 per cent), pay \$250 on a hotel room (58 per cent), drop upwards of \$300 on an evening out to the theatre or a hockey game (32 per cent), and think nothing of regularly doling out \$100 for dinner (94 per cent).

By contrast, most average income earners feel such spending is excessive, with the vast majority saying they would rarely or never spend \$250 a night at a hotel (76 per cent), that \$2000 for a vacation for two is way too much (62 per cent) and that \$100 for a meal is unnecessary (61 per cent).

When asked about financial priorities, the most frequently mentioned goal across all income groups was to pay off their mortgage or other debts (31 per cent), save for something specific (21 per cent) or save more in general (15 per cent). The more affluent are five times as likely to invest in property or the stock market.

Paris store a trend

FRANCE — Paris' top department stores, now more than a century old, are gearing up for change.

The Galeries Lafayette, still owned by heirs of the founders, will open a new shop in March 2004 across from its main store on the boulevard Haussmann, one of the world's busiest shopping areas. The new store is to cater to the world's growing taste for staying home.

Dofasco stays in black; outlook is cloudy

Steel prices seem to have bottomed

By MIKE PETTAPIECE
The Hamilton Spectator

Dofasco Inc. has stayed in the black in a nasty steel downturn with a \$38.8-million profit.

And the Hamilton steelmaker, hit by weak prices, heavy import levels, and a rising loonie, believes sales will remain strong in the near future.

Company officials said steel prices seem to have bottomed,

although demand is still not strong. "North American steel markets are showing preliminary signs of improving," said president Don Pether. "But the sustainability of the trend is still cloudy and uncertain."

Dofasco yesterday predicted a small slide in profit for the current July-to-September quarter. Even so, the steel company has begun the first stages of a \$700-million plan to up-

grade its finishing end — the high-value tube and coiled steel that makes fatter earnings.

Dofasco's second-quarter profit came a day after struggling Stelco Inc. reported an \$82-million loss. Stelco lost \$44 million in the first three months of the year.

Dofasco's earnings release showed even it is not immune to the trough in which the North American steel industry now rides. Last year, for the same quarter, Dofasco earned almost \$70 million.

Dofasco is a leader among firms reporting so far. Ipsco Inc., with locations in Canada and the United States, lost \$3.5 million US. AK Steel in the U.S. lost \$78 million. Minimill king Steel Dynamics Inc. earned \$5.4 million US.

The company credited its higher-value mix of products, such as tinplate and tube for the auto industry, with keeping revenue figures buoyant. Average revenue per ton of steel shipped from Hamilton — by far the largest part of Dofasco's opera-

tions — was \$38 higher than in the same period last year.

But average costs were also up as the company shipped less steel (compared to last year) and bought outside slabs for some of its steel uses. The weak prices were reflected in a small loss at the Kentucky minimill that Dofasco owns with a joint venture partner.

The rapid rise of the Canadian dollar also submarined earnings, said vice-president of finance Walter Bilenki.

1 DOFASCO continued on C4

Hamilton's layered look

Web site allows picture access, unfolding city from sewers up

By MIKE PETTAPIECE
The Hamilton Spectator

Discover Hamilton like you have never seen it before.

Zip from one side of the city to the other in a flash. Zoom in on your house or down near the harbour.

See the tax bill of the big shot down the road or the next big sewer project that will hit the streets or how the Bell Canadian Open golf event will impact your part of town.

Welcome to skyway Hamilton — somewhat like an aerial map-tour on your computer of what makes up the city of almost 500,000.

Click on www.map.hamilton.ca and — as you use the browser hand symbol — you can grab an astonishing range of information; if your computer operates on Windows.

Macintosh systems and others such as Linux cannot be used, but future plans call for technology upgrades to allow all users.

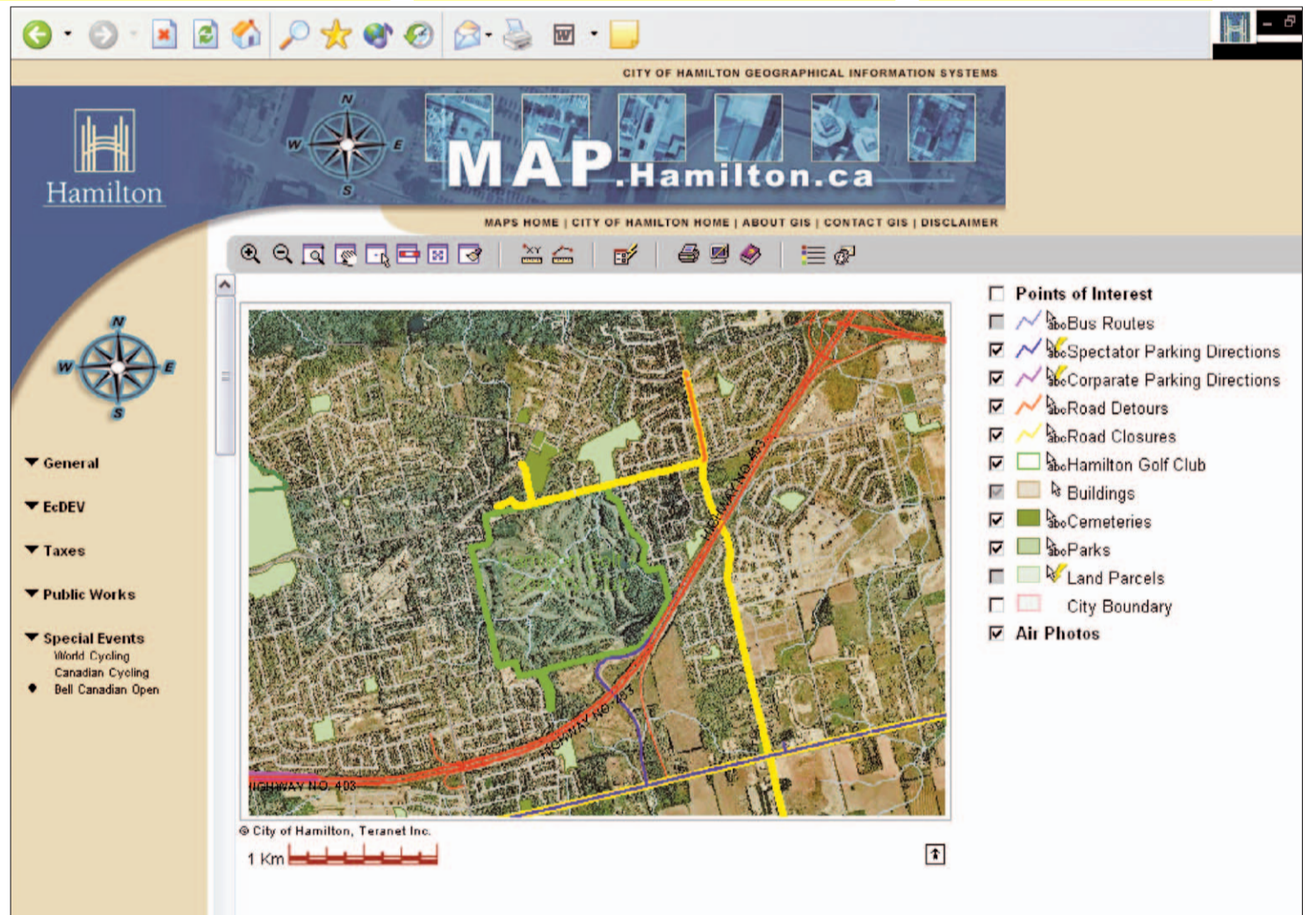
Much of it has been used by city hall people for some time. Now, the inside story has gone outside, over the Internet. This puts the system at work 24-7 since the Web never sleeps.

And Hamilton is way out there with its geographic information system (GIS). Just listen to the city's chief information officer Louis Shallah.

"We are in the leadership here," says Shallah. "This year, Hamilton has been selected (by the province) as the showcase municipality for Ontario. Our GIS will be part of that showcase."

For three days in September, the city will join others at the Toronto convention centre. Hamilton will be able to showcase its technology and other aspects of the community.

The GIS technology is a work in progress. Shallah said the city will apply this fall under a provincial program for further funding. That \$500,000 bid must be matched in cash or by in-kind services by the city and various community partners. But even without that move,



COURTESY OF CITY OF HAMILTON GIS SERVICES

www.map.hamilton.ca will eventually allow anyone with a computer to check taxes, road closures etc. It's saving city hall money.

the existing system is a marvel of efficiency and information. It enables the cash-strapped city to do things that would otherwise take up hundreds of hours of staff time.

Police and fire services use the system as the base for their

own emergency needs. They can plot accidents at intersections, or fire hydrant and water service locations.

The health department uses it to track things like dead bird sightings that might be tied to the West Nile virus.

At City Hall itself, several departments are key users. But economic development and the information technology sections are the big drivers of recent upgrades.

GIS, says Shallah, is "a strategic investment" for the city.

It operates on the theory that a picture is worth 1,000 words. It has the basic PC-driven Windows format — armed with browser-like hand — that lets a user delve down into several layers of data.

1 GIS continued on B2

Popular map Web site a big winner

The city thinks it has a winner with the geographic information system. The awards confirm the faith.

Hamilton's GIS operation has won recognition in three competitions in the past three months.

On Monday, the city's [map.hamilton.ca](http://www.map.hamilton.ca) site took top honours from among 50 government entries around the world in a competition by Directions Magazine. That's an online GIS trade magazine.

Back in late May in New Orleans, the GIS program won gold and silver in cartographic

excellence awards. Two weeks before, GIS entries took similar awards in an urban geographers' conference in Toronto.

"Being recognized by your peers is just great," says Al Little, manager of GIS services in the city's information technology department.

"We don't get a lot of recognition, being a behind-the-scenes service group. ... We can compete with the rest of the province, the rest of the world, in these areas."

In New Orleans, at something called GeoSpatial World 2003, the GIS service came first for its

overall use and application. A second-place showing came for a map-poster done by the city.

GeoSpatial is formed from users everywhere of Intergraph Canada's applications software and system, the vendor behind a lot of the GIS site. Intergraph, a large GIS software supplier, has users worldwide.

The Toronto awards came at a conference put on by the Urban and Regional Information Systems Association, Ontario chapter. URISA awarded a silver for the overall [map.hamilton.ca](http://www.map.hamilton.ca) Web site. And the association handed

out first place to Hamilton in the map gallery component at URISA's annual general meeting, featuring the work of GIS map-based technology users across the province.

URISA members are mostly from the public sector and academia, although there are private-sector people too. There are more than 500 members in Ontario alone.

Staff members of both the city's IT and economic development departments were also recognized at a city council meeting last month for the awards.

GIS: Saving staff time

Continued from B1

The system has both aerial and map-like overviews. Click on the aerial view and a property or an area converts into a photo from above.

The hangup for now is that these aerial looks are only as timely as the last time a camera-equipped plane went aloft. It is not a somewhat real-time costly satellite-view program. This sets up a potential disconnect. A photo of a field may fail to reveal a factory or subdivision that has gone up over the last while.

Another present disconnect — to be fixed later — is that the system works with Windows-based PCs that have a recent version of Internet Explorer. For now, non Windows users can go to the map gallery section.

The city's GIS works nicely for business. An investor in Ohio or Montreal can look through the city's e-window — without leaving home — to find out if Hamilton might be a place to put money down.

He or she simply goes to the area marked 'interactive maps' and downloads software.

"I'm certainly using it, particularly for servicing questions," says commercial broker Bonnie Prior, at Royal LePage, in Burlington.

She was a member of the task force that looked at what should go into the system.

"I was working on a piece of property in Stoney Creek (recently) and looking for sewer and water servicing information ... so this saves me a ton of phone calls."

Prior can fax or e-mail details to a client directly.

If there's a photo attached to a property, she can print that too. This self-help touch spells off city hall officials. The same feature also cuts down on their own phone time.

"What this does is it saves me five phone calls to five different departments," says Norm Schleeahn, of the city's economic development department.

"It used to be the standard response in ec dev was, 'We'll get you that infor-

mation in 24 hours.' Now, we'll do it as you're on the phone."

Schleeahn or a potential investor can use search tools to find out about taxes on a building, about potential suppliers for a business venture, or about the city's workforce.

A user can even learn about traffic volumes on the street outside a site. A user can take the browser hand for a drive and find the distance to the nearest highway.

The city's GIS works nicely for business. An investor in Ohio or Montreal can look through the city's e-window — without leaving home — to find out if Hamilton might be a place to put money down.

MLS commercial listings — stores, factories and vacant land for sale — are likely to come soon. Hamilton Connects, a Web-based non-profit group with a directory of more than 10,000 businesses, is expected to load its datafile into the system too. That could cough up information on likely suppliers or competitors.

Schleeahn says the city is buying 2001 census data that would offer demographic views of Hamilton, such as household income, labour force, and skills data.

Hamilton's GIS plan is "a collaborative effort by all of us", says Al Little, manager of GIS services in the IT department.

"It will change several times over," he says. "It's built to be very dynamic so that current information is there — as current as we have it."

The city hopes to do a GIS "hard launch" in fall, with a bit of hoopla and promotion. The upgraded Web site has been accessible since February, but with very little fanfare.

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CAROLYN KASTER, THE ASSOCIATED PRESS

The 55-year-old Waksal will earn up to 40 cents an hour for doing menial labour while in a minimum-security prison.

ImClone founder checks into jail

Sam Waksal begins serving sentence for securities fraud

By MICHAEL RUBINKAM

The Associated Press
MINERSVILLE, PENNSYLVANIA

ImClone Systems Inc. founder Sam Waksal reported to a minimum-security prison yesterday to begin serving a sentence of more than seven years.

Waksal, the first chief executive in recent corporate scandals to do penitentiary time, admitted last fall to tipping his daughter to dump ImClone stock in December 2001 because he had received word the government was about to issue a negative report on

the ImClone cancer drug Erbitux.

"I deeply regret the mistakes I've made that have brought me here today," Waksal, dressed in blue jeans, white sneakers and a blazer, said after arriving in a Range Rover at the Schuylkill Federal Correctional Institution.

The 55-year-old scientist will be one of about 300 convicts at the prison 120 kilometres from Philadelphia.

Many of the prisoners work 7½ hours each day, five days a week, scrubbing floors, cutting grass and doing other menial labour for pay ranging up to 40 cents an hour.

A federal judge also ordered Waksal to pay about \$4.3 million US in fines when he was sentenced June 10 to sev-

en years and three months.

Waksal's friend Martha Stewart was indicted June 4 in the scandal. Prosecutors say she sold her ImClone shares after she was tipped that the Waksals were selling theirs.

Waksal pleaded guilty last year to charges including securities fraud and perjury. He later admitted to dodging more than \$1 million US in sales tax on nine paintings he bought from a Manhattan art gallery.

Stewart has pleaded innocent to conspiracy, obstruction of justice, securities fraud and making false statements to federal officials.

Stewart's ex-stockbroker, Peter Bacanovic, was also indicted and has pleaded not guilty.