

Business

Indigo will reduce emphasis on books, beef up sales of gifts, CEO says. E2



E SECTION >> TORONTO STAR << WEDNESDAY, SEPTEMBER 15, 2004 ★ thestar.com

S&P/TSX comp. ▲ 20.83 to 8,492.59 -0.24%	S&P/TSX 60 ▼ 1.91 to 473.69 -0.40%	S&P/TSX Venture ▲ 3.98 to 1,517.63 +0.26%	Dow ▲ 3.40 to 10,318.16 +0.03%	Nasdaq ▲ 5.02 to 1,915.40 +0.26%	Dollar ▲ 0.48¢ U.S. to 77.32¢ \$1 U.S. = \$1.2934 Cdn.	Gold (U.S.\$) ▲ \$1.60 to \$405.70 \$525.00 Cdn.	Oil (New York) ▲ 52¢ U.S. a barrel to \$44.39
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RBC eyeing U.S. brokerage firms

**Banks discuss strategy with analysts at financial powwow
Scotia breaks ranks by focusing on Latin America, Caribbean**

STUART LAIDLAW
BUSINESS REPORTER

The Royal Bank of Canada is not letting past bad experiences scare it out of the fast-consolidating U.S. banking industry, the head of Canada's biggest bank says.

Speaking at the Scotiabank Financials Summit yesterday,

RBC chief executive Gordon Nixon said he is on the lookout for "small to mid-sized" brokerages as part of a plan to breathe new life into the bank's flagging U.S. investments.

"The financial results from RBC mortgage and from the overall U.S. business remain well below targeted levels," Nixon

told the meeting of bank executives and Bay Street analysts.

"We are intensely focused on turning this around."

Any acquisitions would be through Royal's Dain Rauscher investment bank and asset management unit, which will be looking to hire more brokers. As

well, Royal plans to expand links between its American units so they can share their customer base, Nixon said.

RBC announced last week it is restructuring its management to address disappointing results from its U.S. units, which have been a drag on profits.

Analysts have questioned whether the restructuring would make enough of a difference, with Fitch Ratings yesterday putting the bank's AA credit

rating on watch "negative," citing "continued difficulties and missteps in the company's U.S. operation."

While talk of expansion in the U.S. dominated much of the day, Canadian Imperial Bank of Commerce chief John Hunkin preferred to discuss retail banking and wealth management. He drew some laughter, though, when asked if he had any advice for Nixon as RBC looked south. "I have in my life had some ar-

rogant moments, but none so arrogant that I would give Gordon Nixon advice," he said. "I will pass on this one."

CIBC exited its U.S. online business in 2002 after three years without a profit, and is not seeking new acquisitions. In the spring, it took an earnings hit of up to \$95 million to close international offices.

Toronto Dominion Bank chief

> Please see **Banks, E5**



DICK LOEK/TORONTO STAR

Dan Boaretto, vice-president of Superior Machining, was breathing a little easier when this giant slip ring swivel was lifted from a well in the machine shop floor.

Giant swivel bound for offshore oil rig

**Huge lift for Vaughan machine shop
Tool keeps pump cables from tangling**

JOHN SPEARS
BUSINESS REPORTER

A journey of 10,000 miles begins with some nervous moments, especially when the voyager is a 25,000-kilogram chunk of machinery worth over \$2 million —

and the crane that has to lift it is rated for only 20,000 kilograms.

The improbable voyage of the mechanism, called a slip ring swivel and destined for an oil production vessel off the coast of Australia, began at the bot-

tom of a seven-metre deep construction well in a Vaughan machine shop yesterday.

It has taken 10 months from the time the order was placed until the delicate liftoff from the machine shop at Superior Machining & Repairs Ltd. Superior manufactured the assembly under contract to Halifax-based Focal Technologies Ltd.

Yesterday, the problem was literally getting the swivel, 8.1-metres (26 feet 8 inches) tall and 280 centimetres in diameter, off the floor and out the door.

Anyone nervous? No way. Well, maybe a little. Focal engineer Kevin Boudreau conceded that he'd had a nightmare involving the floor collapsing under the weight of the lifting ma-

chinery. "It's the sheer size of the part" that caused the butterflies, acknowledged Focal project leader Susan Schofield. "We've never built anything this big."

It's so big that Superior's overhead crane, mounted on steel beams just under the roof,

> Please see **Tool, E5**

Hurricane Ivan continues to drive up oil prices

**Crude producers shut down refineries
Pipeline blast in Iraq also raises fears**

MADLEN READ
ASSOCIATED PRESS

NEW YORK—Hurricane Ivan held its grip on oil markets yesterday, as shutdowns of production platforms in the Gulf of Mexico and fears of storm damage drove crude and gasoline prices up.

Crude oil futures for October delivery rose 52 cents to settle at \$44.39 (U.S.) yesterday on the New York Mercantile Exchange. Crude has been trading in the \$40-\$45 range since hitting an all-time high of \$48.70 on Aug. 19.

Ivan was a category 4 hurricane late yesterday afternoon as it headed into the gulf, down from category 5 strength. A hurricane watch was posted for a 675-kilometre swath from the Florida panhandle to New Orleans.

Jan Stuart, head of energy research at Fimat USA, a brokerage unit of Société Générale, said Ivan's approach has affect-

ed producers, noting that Royal Dutch/Shell Group began pulling workers off its platforms on Sunday. BP PLC and others began to follow suit on Monday.

"Today, we started to shut down refineries. We now know that there is going to be a crude-oil production shutdown and a product output shutdown," he said. "And then you have to check the damage."

There have been close to 10 precautionary shutdowns as of yesterday, said Tom Bentz, an analyst at BNP Paribas Commodity Futures in New York, and refining is at somewhat of a standstill until Ivan passes.

Furthermore, the shutdown of the Louisiana Offshore Oil Port — the primary import facility in

> Please see **Oil, E11**

Ads activist goes to court

**Sues networks for refusing air time
Lawyer cites freedom of speech**

RICK WESTHEAD
BUSINESS REPORTER

A Vancouver social activist group is suing Canada's four largest TV broadcasters for rejecting ads that address obesity, environmental destruction and other social issues.

Adbusters Media Foundation has asked an Ontario court to demand that BCE Inc., CanWest Global Communications Corp., CHUM Ltd. and the Canadian Broadcasting Corp. be required to "air Adbusters' advertisements in the same manner as it does other paid advertisements."

Last fall, when Adbusters tried to buy ads on the networks, three of the broadcasters rejected the prospective ads outright. Only one advertiser that wasn't identified in the court filing accepted the ads, but "with severe restrictions" about when the ads could be aired.

Clayton Ruby, a Toronto lawyer who represents Adbusters, said it could be six months or more before the case goes to trial.

"They (the broadcasters) are going to fight like mad and let's face it, they're rich," Ruby said in an interview. Ruby said that the case amounts to a freedom of speech debate.

"The government is taking public property in the airways, licensing them to a small num-

> Please see **Ads, E11**

CRTC to decide how VoIP is sold

The Canadian Radio-television and Telecommunications Commission will begin a hearing to discuss how Voice over Internet Protocol, known as VoIP, can and can't be sold to Canadians. **Story, E6.**

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