

TSX 12,730.41 ▲ 10.09	DOW 12,577.15 ▼ 5.44	NASDAQ 2479.42 ▼ 18.36	DOLLAR 85.24¢ ▲ \$0.26	OIL \$52.24 ▲ \$1.03	GOLD \$632.10 ▲ \$7.50	PRIME 6.00 JAN. 16
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BUSINESS

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Domtar launches antimicrobial paper

MAKING IT SAFE TO KISS YOUR CHEQUE

Similar products are available in Europe

LYNN MOORE
THE GAZETTE

As we move toward the zenith of the germ and virus season, **Domtar Inc.** has announced it might soon be safer to fondle your memos, kiss your paycheque and finger your colleagues' files.

It has launched North Ameri-

ca's first antimicrobial office paper, designed to protect paper against the growth of bacteria, odours, fungus, mould and mildew.

"The development of this paper presents an opportunity to help reduce the proliferation of bacteria in office environments," Steve Barker, senior vice-president of pulp and paper sales and

marketing, said yesterday.

Since the Montreal-based firm began investigating bacteria-fighting products about 18 months ago, it has learned that health-care facilities and medical offices are not the most concerned about germs running amok. It's the average office.

"More and more products for the office place have antimicrobial properties. You can actually find computer keyboards, computer mouse (units) and file folders," said Eric Lavoie, Domtar's manager of business papers.

In Asia and Europe, antibacte-

rial office paper has been on the market for about 12 months and "is apparently doing well," he said. Competitors won't share sales information.

According to Domtar, laboratory studies show that one bacterium can reproduce into 10 billion bacteria in just 10 hours. Independent laboratory tests on Domtar's new paper demonstrate a 99-per-cent reduction of virulent bacteria, notably Methicillin-resistant Staphylococcus aureus, the company said.

Please see **DOMTAR**, Page B3

Royal Bank clarifies stand on blacklist

U.S.-DOLLAR ACCOUNTS AVAILABLE

Dual citizens of sanctioned countries can open them, with some exceptions

DON MACDONALD
THE GAZETTE

The **Royal Bank** issued a clarification yesterday of its controversial policy of denying U.S.-dollar accounts to Canadians with dual citizenship with countries on a U.S. blacklist.

The bank said it will offer the accounts to the customers - with some exceptions - if they meet normal identification and anti-money-laundering requirements and are residing in Canada.

The Royal has come in for heavy criticism this week from Muslim and immigrant groups after confirming it has closed or refused to open U.S.-dollar chequing accounts for a couple of hundred customers who hold citizenship from six countries on a U.S. sanction list, even if they also hold Canadian citizenship.

The groups said the policy is discriminatory and contrary to the Canadian Charter of Rights and Freedoms.

Bank officials insisted the policy had not changed and yesterday's clarification was aimed at simply clearing up confusion in media reports.

"The policy has been consistent," spokesperson Beja Rodeck said.

The bank has said it has no choice but to comply with U.S. Treasury Department rules on U.S.-dollar accounts that are aimed at preventing terrorism financing, money laundering and enforcing sanctions. The black-listed countries are Iran, Iraq, Sudan, North Korea, Cuba and Myanmar.

The bank's clarification of its policy stated: "With some exceptions, RBC will provide a U.S.-dollar account to dual citizens of sanctioned countries as long as they meet our 'Know Your Client' and 'Anti-Money Laundering' requirements, which include proof of residency in Canada."

It also said: "As part of our process, Royal Bank of Canada requests proof of citizenship and residency prior to opening a U.S. dollar account for any individual client."

Spokesman David Moorcroft said the Royal doesn't ask customers who provide proof of Canadian citizenship whether they also hold citizenship of another country.

For those who disclose citizenship of Iran, Iraq, Sudan, North Korea and Myanmar, the key issue for U.S. authorities is whether the person is residing part or full-time in the country.

Thus, the bank denies a U.S.-dollar account to individuals who have an active passport from those countries indicating they are travelling back and forth to the country, Moorcroft said. Cuban citizens are banned altogether by U.S. regulations from holding U.S.-dollar chequing accounts.

The Royal has said banks around the world must comply with the U.S. rules or risk heavy fines and even losing access to the U.S. payments system.

However, several other Canadian banks said this week they have no nationality-based restrictions on U.S.-dollar accounts.

Critics of the Royal Bank's policy weren't satisfied with yesterday's clarification.

Please see **ROYAL**, Page B2



LUXURY RETREATS INTERNATIONAL

Necker Island, a 74-acre Virgin Islands paradise: It's not that expensive if friends chip in. It houses up to 28 and has a staff of 50.

This island can be yours for \$45,500 a day

Luxury Retreats rents villas

STEVE FAGUY
SPECIAL TO THE GAZETTE

Now that the weather has turned seasonal, a vacation in the tropics might be just the thing. And if you're feeling flush, Joe Poulin has a place for you - your own Caribbean island for \$45,500 a night.

Poulin is the founder and CEO of **Luxury Retreats International**, a villa rental company based in Montreal that in seven years has grown from a one-man operation to one with 80 employees in 40 offices around the world.

Luxury Retreats helps the owners of 1,400 villas rent their properties out for a week or two to vacationing businesspeople and their families.

At the top end of places on offer is Necker Island.

Please see **LUXURY**, Page B7



PIERRE OBENDRAUF THE GAZETTE

Joe (left) and Jazz Poulin, started Luxury Retreats about seven years ago in their parents' basement. Since then, the company has grown to 80 employees in four offices around the world.

Hydro turbine maker sets up shop in Montreal

CANADIAN HEADQUARTERS

Voith Siemens' biggest competitor is Alstom

ROBERT GIBBENS
THE GAZETTE

Voith Siemens Hydro Power Generation, a European-based builder of turbine-generators for hydroelectric plants worldwide, has chosen to locate the headquarters of its fast-growing Canadian operation in Montreal, CEO Hubert Lienhard said yesterday.

Voith Siemens, 65 per cent

owned by Germany's **Voith** heavy engineering group and 35 per cent by the **Siemens** energy, automation and medical equipment giant, sees a fast build-up in demand for hydro turbines in Quebec, Ontario, Manitoba, British Columbia and Labrador.

The Canadian office, led by engineer Denys Turcotte, a veteran of France's **Alstom Power** and **Areva Canada**, already has 25 specialized staff in Montreal

and it is expected to build up rapidly to 100 or more.

Its mandate includes marketing, engineering, project management, sourcing, equipment installation and startups.

Turbine-generators for big projects such as **Hydro-Québec's** \$5-billion Eastmain development in Quebec's north can cost up to \$100 million U.S. each, including engineering and installation, and depending on capacity.

Voith Siemens stemmed from a pooling of both parent companies' global hydro turbine businesses.

Voith is a 140-year-old family-

owned engineering group with longstanding roots in North America - many mills run Voith paper machines - and Siemens heavy electrical equipment is installed coast-to-coast.

Voith Siemens Canada has inherited a component plant in Mississauga, Ont., with 125 employees, but is just setting out to capture a big slice of the Canadian hydro turbine market after winning three small contracts.

When it bids for business in Quebec and across Canada, it will come up against **Alstom**, its biggest competitor in the world marketplace and a longstanding supplier to Hydro-Québec.

Voith Siemens turbine-generators for the Canadian market will benefit from the parent companies' research while heavy manufacturing might be outsourced, partly to Voith's plant in Brazil.

"When you take in engineering and ancillary services, we'll hit a Canadian content of 50 per cent or more of the dollar value, while building a strong Canadian supplier network and transferring technology," Turcotte said.

"We're here to stay ... a very long time."

Please see **TURBINES**, Page B3

INSIDE

Brookfield buys Mills

Brookfield Asset Management says it will acquire shopping centre and entertainment property owner **Mills Corp.** for about \$7.5 billion U.S. **Page B5**

Apple shines

Apple Inc. posts record profit in its first quarter, beating estimates as earnings rise 78 per cent amid strong sales of its iPod music players and Macintosh computers. **Page B6**

today's agenda

■ **STATISTICS CANADA** reports on November manufacturing, international transactions in securities and travel between Canada and other countries.

■ **IN OTTAWA**, **Corel Corp.** holds a conference call to discuss fourth-quarter and yearend results reported after markets close.

■ **IN NEW YORK**, the **Conference Board** unveils monthly leading economic indicators.

■ **IN WASHINGTON**, the **Labour Department** reports on consumer prices for December. The **Commerce Department** reports on housing starts for December.

Federal Reserve chairman Ben Bernanke testifies before the Senate Budget Committee on the long-term fiscal challenges facing the United States.

■ **U.S. FINANCIAL RESULTS** are expected from **Harley-Davidson Inc.** and **Merrill Lynch & Co.**