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Deciphering the election chatter

By STEWART MacLEOD
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Prime Minister Trudeau, Justice Minister Otto Lang and other highly-placed liberals scoff at suggestions that all this convoluted chatter about capital punishment is somehow related to any forthcoming election campaign.

Okay. But for my own peace of mind I wish someone up there would explain just why the justice minister happened to reignite the whole sensitive subject, why Trudeau happened to douse the flames with kerosene, and why Trade Minister Jack Horner happened to throw in another log. If the government wants to drop the matter, this is scarcely a classical approach.

If Otto Lang were given to idle chatter, one could understand him musing about the desirability of a referendum on capital punishment. But he doesn't operate that way. He clearly wanted it understood that the was seriously proposing a referendum on the subject, just five months after Trudeau said the issue had been settled and wasn't about to be reopened.

"The reason the referendum idea has some merit is that it would allow the question to be debated thoroughly," said the justice minister. He talked about it at length.

YES BUT... Naturally, there was a tendency to think that Lang was playing to the public galleries, since the latest public opinion polls indicated that eight of 10 Canadians wanted a referendum on capital punishment. Ever

since hanging was abolished with that 1976 parliamentary decision, the polls have shown that a vast majority of Canadians favor a return to the noose.

Just a few days after Lang dropped the hint that the issue was still simmering on the government's back burners, the prime minister was given a glorious opportunity to set the record straight — and he almost did.

"I make it clear," he said. "My government would not have a referendum on capital punishment. Is that clear?"

Yes Sir. But that's where the clarity ended. The prime minister said he was ready to discuss the question of whether certain issues should be settled by "direct democracy" including referendums. . . . the public is more informed of national issues and they want to

decide directly," he said.

NO, BUT... "A lot of democracies have a provision for direct democracy even in a framework of a representative democracy and this is the question that Mr. Lang raises and I don't consider it a flip flop for Mr. Lang to be ahead of his colleagues. He is an intelligent man and he is thinking of reform of the parliamentary system."

No, he repeated, the government has no intention of introducing a referendum on capital punishment. But then he added that "if I keep office for another few parliamentary terms, it is conceivable that we will introduce instruments of direct democracy". Could it be a referendum on capital punishment?

"It could be that," he replied. The prime minister, like Mr. Lang, is not prone to mincing his words — makes it intentional. I think it's fair to say that, on this occasion, Trudeau chose to put some of his words through the grinder.

In any event after the prime minister announced, in his cautious way, that his government had no intention of reopening the capital punishment issue, Horner tells a reporter that he is pleased the issue has been reopened. And when asked what he would tell his voters, the former Conservative replied: "I think I would say the government has accepted the vote in Parliament, but the cabinet is prepared to review the whole issue."

Perhaps at his next news conference, the prime minister can help clear up any misunderstandings by explaining exactly how his cabinet reviews an acceptance.

Looking Through Our Files

THIRTY YEARS AGO

Police are investigating a fire which occurred in the Legion Hall early Sunday morning and there is strong suspicion that it is of incendiary origin. The fire was first noticed at about 4:45 a.m. by Jack Whitney, who lives across from the rear of the hall, and prompt action on the part of the fire brigade saved the building from serious damage.

After hearing a preliminary report presented by Mr. Roberts of Dineen, Phillips and Roberts, consulting engineers, council voted unanimously on Monday night to ask the Municipal Board for permission to issue \$80,000 in debentures to pay for improvements in Georgetown's water system. The Brantford firm, which was hired by council earlier in the year to make a complete survey of the water system, made several recommendations. Chief of these is chlorination of both sources of supply and the installation of metres.

Gordon Alcott, a Georgetown man who has been recreational director in Weston for the past two years, has resigned his position to accept a position with the Face Elite Company. He will be advertising manager, and will have charge of personnel and recreational facilities at Gibson Park, which is operated by the Company.

TWENTY YEARS AGO

An estimated 3,000 people visited Gower Court, one of the newer sections of the Delrex subdivision over the weekend to view the Parade of Homes, a joint effort of North Halton Builders' Association. A total of 14 homes were on display by Fobert Construction, Rex Heslop Homes and Halton Homes in the Gower areas.

"Victoria's crank telephones are on their way out," L.G. Denby, manager for this territory, announced this week. Early next year, the present magneto telephone system will be replaced by a "common battery" system, similar to that now in use in Snelgrove and Huttonville. With the new system, telephone users will merely take the receiver off the hook to signal an operator.

The fee for transient traders will remain at \$250 after Monday's council meeting at which council declined to take action to increase the fee to \$500. Mayor Armstrong explained that the bylaw had been drawn up in depression days when it was common for outsiders to come to town, conduct a sale in a vacant store and syphon off any cash which shoppers might possess, and hurting merchants who were held up for better days.

TEN YEARS AGO

A demolition crew will move on Friday morning to do what a spectacular fire Saturday couldn't do — bring the walls of the old town hall on Cross Street tumbling down. A giant shell is all that remains of the building following a blaze which broke out shortly after 6 a.m. and consumed the interior in 12 hours of burning and smouldering. The loss includes about \$1,000 worth of Georgetown Little Theatre costumes, lighting equipment, and scenery.

A Lions Club offer to make extensive improvements in the town park of Charles Street and to help develop a new park adjoining Kennedy School met an enthusiastic response from council on Monday.

According to North Halton OPP, the last of four prisoners who broke out of Halton County Jail Sept. 15 is still on the loose. The fugitive still at large and his three jailmates escaped when they slugged two jail guards, one of whom had to be taken to hospital for treatment.

A few words on the posties

The tactics surrounding the rotating strike by letter carriers smacks of pre-election political opportunism.

That's the only way to describe the attempt by the government to justify its position and the legal walkout by the letter carriers.

Robert McGarry, head of the letter carriers union, told Betty Kennedy of CFRB last week that negotiations for a new contract had been under way since last March. No movement transpired and the matter was placed before a mediator who reported Aug. 24 in favor of the letter carriers.

And then the fun starts.

Mr. McGarry said a meeting took place following release of the report amid assurances that the two sides would get together within a week "because no one wants a strike". Despite several attempts by Mr. McGarry, Mrs. Kennedy was told, the matter did not come back to the bargaining table. It did finally 24 hours prior to a strike deadline with a call for arbitration, something the union rejected.

Mr. McGarry's position in his interview on CFRB was that the threat of a strike (remember its one of the few legal post office strikes) was primarily an attempt to force the issues back onto the bargaining table. Instead Prime Minister Trudeau stated on a Toronto radio talk show that Parliament might be recalled to end any strike.

And that move smacks of political

opportunism of the highest calibre. How can the Prime Minister really believe that he's in a position to force a back to work order in face of what can only be presumed from Mr. McGarry's remarks to be stonewalling by the government?

Indeed, Robert Andras, head of the treasury board, the body responsible for the wages of a new contract, refused to speak with Mr. McGarry, he says, because the minister was too busy.

Had the post office returned to the bargaining table sooner, had there been no announced threat of a strike, the government might find itself in a position where another in a series of senseless disruptions to postal services might have been averted.

Had arbitration or continued negotiations failed, then the union could call its strike. But to have the government delay until the last minute without any attempt to iron out its differences with the letter carriers is tantamount to bargaining in bad faith.

With the present state of flux surrounding federal politics, the by-elections scheduled for next month across the country and the continuing attacks on the government's economic policies, the whole affair surrounding this present round of postal disruptions seems geared to one purpose — providing the government with a politically popular position.

Canadians deserve better from their government's handling of its affairs.



Human relations is key to real political survival

By DON O'HEARN
Queen's Park Bureau
Of The Herald

The way a thing is done, as most of us know, sometimes can mean more than what is done.

And then little things can be more important than the big ones.

These truisms, as all others dealing with human relations, are a bit bigger than life when it comes to politics.

And not paying attention to them just might trip up Stuart Smith and his Ontario Liberal party.

BLOOD LUST

This goes back to the George Kerr incident.

When the news first broke that Kerr had phoned a crown attorney for a constituent, Smith was very quick off the mark.

The minister should resign, he said. This was an extreme judgment which wasn't warranted by the facts as known at that time.

Then when minister finally did resign, the Liberal leader was probably even more extreme.

Why didn't the minister resign two weeks before, he said.

Both of these statements would have looked to at least a section of the public as political blood lust. And what is particularly bad is that they were both unnecessary.

BAD IMAGE

Another political truism is that elections aren't won but are lost. At the polls the public doesn't elect new governments but defeats old ones.

In other words public thinking tends to be

negative. It is influenced more by what it doesn't like than what it likes.

Which puts political parties and politicians in the very sensitive situation that they must not give offense. One passing remark that was somehow offensive has defeated a good many of them.

With Smith, as a leader he has to be particularly careful. For anything he says has big impact and if it is the wrong pitch can affect not only him but all his fellow Liberals.

As a leader he has made headway partly because he has shown a new and apparently intelligent approach to various of our problems today.

But also, he has come on strongly because his image has been good.

He has pressed some matters, and often quite forcefully, but he has kept the tone high. Particularly, he has stayed away from brawling and low-level politics.

But his quick lip statements in the Kerr affair are a direct change and are bound to be offensive to a sizeable portion of the public. And they weren't necessary. The public obviously would ask itself automatically why Kerr didn't quit earlier. But Smith asking it was bound to look like sinking a political dagger.

The Liberals these days are riding pretty high. Their last party polls showed that today they would win an election.

Over-confidence, of course, is a threat in this. And there can be strong suspicion that Smith and his colleagues may have been hit by it.

If so he had better get unhit in a hurry. Nobody really ever gets anywhere in politics by bad-mouthing.

A medal for the dollar

The Gold Medal for diving, in the competition of the Commonwealth games in Edmonton, should not have gone to a person at all. It should have gone to the Canadian dollar.

People still speak of the Almighty Dollar. But the dollar has proved that it is anything but almighty. So far, the American dollar has plunged through the so-called barrier of equivalence to 200 Japanese yen, and shows no signs of coming back up again. And the Canadian dollar has sunk even deeper — it seems determined to dive right through the bottom of the money pool.

The cause, according to economic experts, is an unfavourable balance of trade, which creates an unhealthy economy. Both the United States and Canada have been importing more than they export, spending more than they make. And as every family knows, you can't do that for long.

Japan, by contrast, exports more than it imports. That makes it healthy. Canada and the U.S. must do the same, say the experts. Their prescription ignores a simple fact — every country can't export more than it imports. For one country to have a favourable balance of trade, another must have an unfavourable balance. One country becomes healthy by making another unhealthy. And so it's said that the cure for the dollar will come as Japanese and West German exports price themselves out of the market, causing some of the same unemployment and reduced production in those countries that we are experiencing now.

The trouble can be simply defined: economics has never considered itself subject to a simple lesson taught 2,000 years ago, to

love one's neighbor as oneself. In world economics, countries still attempt to profit at the expense of their neighbor — and in today's world, all countries are neighbors.

St. Paul wrote of Christians that all are members of the same body, and when one part is sick or festers, all parts are endangered. The same can be said of world

economics.

Perhaps the clamor from the many underdeveloped countries for a New International Economic Order will ultimately bring about the realization that when one economy is unhealthy, all are unhealthy. And if one country wants a thriving economy, it must help all other economies too.

Changing local scene means new attitude

In a number of municipalities across Canada, police are switching to smaller cars. The reasoning is simple. Smaller cars are more economical. And police today rarely indulge in those wild high speed chases that require big powerful cars — dangerous drivers become more dangerous, when they're desperately evading pursuit.

Blacks, women and members of some minorities are slowly beginning to appear among the ranks of professionals, and in executive positions.

In India, rats still destroy about as much grain as humans consume.

What have these three examples to do with each other?

Simply this — the first two are changes taking place in North America. Some people welcome them as common sense and justice. Others regard them as dangerous deviations from tradition, and fight them with all the

vehemence they can muster. Both these changes, now becoming more apparent, have been slow in developing although they have been advocated by thoughtful minds for years.

And this is North America, where we have become accustomed to change, where change has taken place faster, and more often, than perhaps anywhere else on earth. In contrast life in much of India, south-east Asia, and Africa continues with few differences from centuries ago.

Today, many well-meaning people on this continent grow disillusioned with aid to underdeveloped nations, and argue that there's no point in helping them with food or technology until they make radical changes.

If we who are familiar with change find it difficult to accept minor changes in our lives, how can we so glibly demand radical change from people who appear to us to have never learned how to change?

Tips when bonds come due

Revenue Canada, Taxation advises taxpayers holding Canada Savings Bonds due to mature this fall, that careful study of the options available when cashing and reporting bond interest could result in tax savings.

The two Canada Savings Bond Series are the 1968 Special Replacement Series (SR) maturing October 1, 1978 and the 1969-70 Series (S24) maturing November 1, 1978.

It is estimated that 40 per cent of people holding these bonds have not clipped the coupons and will receive interest and compound interest equal to the principal held. Tax on this accumulated interest can vary widely depending on the method used by taxpayers for reporting the interest.

Taxpayers who did not cash coupons and who did not report any interest on their tax returns as it became due, must report the accumulated interest when they receive it as cash. This "cash method" of reporting bond interest could result in substantial interest

income becoming subject to tax this year. The interest, dividends and capital gains deduction of up to \$1,000 may help to reduce the tax on interest payments from Canada Savings Bonds.

General averaging, applied automatically to all tax returns, may also reduce the effect of the additional interest income. Taxpayers who wish to determine, in advance, the effect of general averaging in their own situation may complete the general averaging form available at District Taxation Offices.

In addition to the annual interest coupons and compound interest certificates, cash bonuses are payable on the maturity of these bond issues and are subject to tax. Although not indicated on the bonds, the bonus for the S24 bond is \$11.50 per \$100 face value and for the SR series, the bonus is \$17.75 per \$100. These bonuses may be treated as either interests or as capital gains for tax purposes.

It will probably be to a bondholder's advantage to treat a cash bonus as a capital gain since only one half of the amount received is included in income for tax purposes and, for 1977 and subsequent years, this half is also eligible for the interest, dividends and capital gains deduction. Cash bonuses must always be included in the taxpayer's income when they are received.

For taxpayers using the cash method who will be in a high tax bracket when their bonds mature this fall, it could be advantageous to defer cashing annual interest coupons and compound interest certificates. In a year when income from other sources is relatively low, the tax payable on bond interest could be reduced, or in some cases even eliminated. However, to be eligible for full compound interest, coupons cannot be split but must be presented in a complete block.

Taxpayers who adopted the "receivable method" of reporting bond interest will not be

faced with such a significant increase in interest income when their bonds mature. Under the receivable method, taxpayers who delay cashing their annual interest coupons or compound interest certificates, may nevertheless include in their income the value of those coupons or certificates that came due during the year. With this method, a taxpayer can take advantage of the interest, dividends and capital gains deduction of up to \$1,000 each year that the qualifying income is reported. When the receivable method is used throughout the full term of a bond, only those compound interest certificates or annual interest coupons that come due at maturity are added to income when the bond is cashed. These are, of course, eligible for the interest, dividends and capital gains deduction.

Taxpayers are permitted to change their method of reporting bond interest from the cash to the receivable method. However,

such a change cannot be retroactive. Interest that became due in the years before the changeover cannot be reported in the year of change but must be included in income when the bondholder cashes the coupon or certificates.

Taxpayers must use the same reporting method for all their Government of Canada bonds each year. When a change in reporting method is made, a record should be kept of the interest that has been reported on the receivable method and the interest that will be reported when cashed.

A fact sheet entitled "You Were Asking About Interest on Canada Savings Bonds" is available at District Taxation Offices.

Information on how to reinvest in the new series of Canada Savings Bonds will be available after October 1 whenever the bonds are sold.

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