

# Business Outlook

## Loblaws electronic coupons faster

Although cents-off coupons show increasing popularity with Canadian consumers, many shoppers seldom use coupons because of the time required to search through householder mailings or newspaper inserts for offers that correspond to their specific needs.

Customers at Metro Toronto area Loblaws stores, however, will be able to eliminate the tiresome search for coupons and, instead, benefit from a new electronic couponing system.

Loblaws and Catalina Coupon Systems Inc., which holds the Canadian rights to the coupon solution system, have already begun installation of the equipment in 10 selected stores. The launch in May will mark the entry of electronic, scanner-driven couponing to Canada.

According to David Stewart, President of Loblaws Supermarkets Limited, the system is designed to generate coupons in response to consumer preferences.

"The system scans each customer's purchases as they're being checked-out by the cashier. It then prints coupons that are 'triggered' by the items being purchased."

The system can be programmed to issue cents-off coupons for products in the same category, or for an item in a related category. For instance, a customer who buys disposable diapers might receive a coupon for baby powder.

"The concept is to provide customers with coupons for things they normally buy, without them having to search through reams of paper to find the right coupons," Mr. Stewart explained.

Based on consumer response in various regions in the United States where the system is in use, Metro Toronto residents who receive coupons at Loblaws should be "delighted" with this new approach, according to Brian Cahill, President of Catalina Coupon Systems.

"Fewer and fewer people are willing to spend the time to search out and clip coupons. Coupon solution has been designed to tackle the realities of today's shopping," Mr. Cahill said.

Following the May launch in Toronto, Loblaws intends to install the electronic coupon system chain-wide over a period of several months.

## Behavior talk

North Halton Parents Support Group is sponsoring Behavior Consultant Ms. Jaki Martin who will speak about behavior management in children. The date is March 24 at 7:30 p.m. at E.C. Drury Junior School in Milton, dorm 2 (YMCA nursery school). Everyone is welcome. For more information call 853-2502.

## Spring fitness

The Acton YMCA is meeting your fitness needs by offering morning and a new evening fitness class this Spring. Morning classes are twice per week from 9 - 10 a.m. with weekly "weigh-ins" for those trying to shed those extra pounds. Evening fitness classes begin the week of March 30 every Tuesday and Thursday from 8 - 9 p.m. Phone 353-1070.

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## Wilson may sugar coat bitter tax reform pill

Tax reform is regarded as a bitter pill by many Canadians.

In general or abstract terms, they may agree that our tax "system" is an incomprehensible patchwork — but in particular, they fear that reform might force them to pay more and to sacrifice certain "tax preferences."

So Finance Minister Michael Wilson, as long ago as last October, applied a sugar coating to the pill:

"By reducing the number of tax breaks that benefit only a few, by insuring that profitable corporations pay their fair share, and by relying more on corporate and sales tax revenues, we will be able to cut present income-tax rates."

That statement embodies two time-tested slogans with broad appeal: "Soak the rich" and "soak the corporations."

In the current fiscal year, which ends March 31, corporate income taxes will account for about 13 per cent of federal government revenues, compared with 43 per cent from personal income taxes.

After reform, that gap will be narrowed. (Appearances can deceive, however. You may find that any saving in your personal income tax will be offset by the tax-induced increases in the cost of all the goods and services you buy.)

"The average Canadian will no longer have to pick up a tab for profitable companies which do not pay their fair share," Wilson has said.

To broaden the base of corporate taxation, says the chartered-accountancy firm of Thorne Ernst and Whinney, the Finance Department may reduce or eliminate today's ac-

## VINCENT EGAN

On Business



celerated write-offs of manufacturing and processing assets.

Capital-cost allowances may be brought more closely into line with actual depreciation of those and other classes of capital assets, and natural-resource companies may find their depletion allowances trimmed back.

Other possibilities include tighter restrictions on the transfer of losses from one company to another, and the taxation of dividends paid by one company to another when the firm makes a profit but pays little or no tax.

And it is also expected that Wilson, borrowing a leaf from the Americans' book, might introduce a minimum tax on corporate income above a certain level — analogous to the Alternative Minimum Tax on individual Canadians.

In all the speculation about the specifics of the forthcoming tax-reform package, there are two important political realities:

One is that it will be designed to bring in more revenues, notwithstanding Wilson's commitment that it

will be "neutral" in that respect. That is not necessarily a bad thing, given the gargantuan size of the government's annual deficits (running at \$29.3 billion in the coming year) and of the accumulated public debt (about \$266 billion).

The other reality is that critics will try to tear the reform package to pieces, regardless of whatever its actual merits or faults may be.

The hostile reaction of Liberals and NDP to Wilson's innocuous budget of Feb. 19, and the anguished bleats in response to its minuscule tax increases, prove that the subject of tax-

ation cannot be discussed dispassionately — that would break the rules of the political game.

That was demonstrated in the late 1960s, when the Carter Commission proposed a comprehensive, integrated reform of the tax system. Eventually that was watered down to a few barely recognizable changes in the 1971 amendments to the Income Tax Act.

Let's hope that this time, two decades after Carter, we can find agreement on the genuine reform that our tax structure so badly needs.

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