

Halton Hills Outlook

Outlook is published each Friday by The Halton Hills Herald, home newspaper of Halton Hills, a division of Canadian Newspapers Company Limited, at 45 Guelph Street, Georgetown, Ontario, L7G 3Z6, Second Class Mail - Registered Number 0943.

877-2202 877-2201
PUBLISHER
 Don Brander
ADVERTISING MANAGER
 Carl Sinke
EDITOR
 Dave Rowney

MARKETING REPRESENTATIVES
 Pam Lowes
 Sharon Marshall
 Alanna Bowen
CLASSIFIED
 Terry Colter
 Elaine Kuzyszyn
STAFF WRITERS
 Ann Pederman
SPORTS
 Mike Turner
 Brian MacLeod

PRODUCTION SUPERINTENDENT
 Dave Hastings
PRODUCTION ASSISTANTS
 Myles Gilson Anne Olsen
 Mary Lou Foreman Wendy Buzzin
CIRCULATION DEPARTMENT
 Marie Shadbolt
ACCOUNTING
 Pauline Miller

Their Outlook

Why continue talks if such a bad thing?

TORONTO - "I'm not prepared to sit by and see the Auto Pact gutted. We're just talking about the give on the Canadian side, and it's a give, give situation."

"What we're really talking about is giving up the right of future national or provincial governments to control the kind of country we have."

And it would be "ridiculous" to expect quick Ontario approval of any free trade deal with the U.S.

Those were the quotes most illustrating the general tone of Premier David Peterson's comments that appeared in the media after the first ministers' meeting in Ottawa this week.

Did his critical comments mean Peterson was urging abandonment of the talks?

Well, no. He agreed they should continue. But why, if they are such a bad thing?

That is the key question a harping, carping and negative Peterson hasn't answered in the past year.

It is a question that NDP Leader Bob Rae has thrown at him directly time and again in the legislature.

If he's worried about the Auto Pact and all these other aspects of trade talks with the U.S., why doesn't he simply walk away from them, Rae has asked?

Rae gets no answer, leading one to speculate that Peterson's refusal to do so is simply a political worry that they might succeed.

What if Canada does get a binding mechanism to resolve trade disputes with the U.S., which is a key goal of the negotiations?

GUARANTEED ACCESS
 What if we can get guaranteed access for our manufactured goods to the U.S. market through the removal of tariff and non-tariff barriers, another of the aims of the talks?

In that case, Peterson would look like a fool if he'd refused to play a role in bringing about results even critics see as desirable.



Queen's Park

By Derek Nelson

After all, Peterson can't tell Ottawa not to negotiate. All he can do is refuse to co-operate in implementing any deal in those areas where the province has jurisdiction, such as liquor boards.

So Peterson never quite goes that extra step in calling for an end to the talks, even though that is the logical outcome of almost his every utterance on trade with the U.S.

That goes all the way back to the "leaked" Ontario government studies which said so many thousand jobs were at risk from free trade.

What wasn't said was that the jobs were at risk regardless of free trade, and maybe more so without it. But that part wasn't leaked.

Peterson has said, several times, he favors a deal that gives Canada what it wants. He opposes any deal that gives the U.S. what it wants.

WHO KNOWS?
 Still, by playing the hard-core conservative - no change in the Auto Pact, no change in investment rules, no change in trade, and so on - and by playing on the fear of lost jobs, Peterson is probably aiming to reinforce a belief among voters that in these perilous times, he is the sturdy rock upon which they should beach their ballots.

But before he gets his mandate, he should answer two rather fundamental questions:

You've said what you want to see and what here is untouchable - so what are you willing to give up to get a deal?

And, if the free trade talks do fail, with a little help from your sideline criticism, what should Canada do to maintain access to the U.S. market, against the protectionist tide rising there?

Two's a Crowd

By BILL BUTTLE



"You the guy that phoned for a plumber last night?"

Share purchase warrants riskier, better rewards

If you like blue-chip stocks but can't afford to buy them, share purchase warrants may be ideal for you.

Warrants are riskier than buying stocks directly. But their potential rewards are greater too, thanks to the miracle of leverage.

Leverage is what makes it so rewarding to buy real estate in a rising market. Say you pay \$25,000 down on your home and borrow the rest. Your house price then rises by \$25,000. This would leave you with a whopping 100 per cent return on your direct investment. That sure beats bank interest.

Warrants work the same way. A warrant is the right to buy stock at a set price for a certain period of time.

If the stock price rises 10 per cent, the warrant price may rise 25 per cent, for example, thanks to the leverage principle.

The bad news is that warrants will also fall faster than the price of underlying stock. People who play warrants will need some tolerance for risk.

WORTHLESS
 Also, if you do not sell or exercise your warrants by the expiry date, they are worthless.

Warrants are an ideal way to grow your portfolio quickly when the stock market is rising. They're a fast way to lose money when the market falls.

Two basic measures of a warrant's worth are its leverage potential and the outlook for the underlying stock. Thomas Churchill and John D'Angelo of Merrill Lynch Canada say in the June issue of the firm's Warrants Quarterly.

The multiple of stock price to warrant price (stock price divided by warrant price) is a "rough but useful" measure of leverage. The multiple is expressed as 3.2 times or 260.7 times, for example. The higher the multiple, the greater the leverage.

Even more important is the attractiveness of the underlying stock. The stock price must rise to bring the warrant's leverage into play.



Your Business

By DIANNE MALEY
 Business Analyst

How long the warrant has to live is another important consideration. The longer the better, generally. Buying and selling warrants that are nearing expiry is risky business.

Warrants are said to be "in the money" when the stock price is higher than the price at which they can be exercised. The difference between the two is the warrant's intrinsic value.

OUT OF THE MONEY
 When the stock price is below the exercise price, warrants are "out of the money."

For example, a \$5 warrant to buy a \$25 stock at \$20 is in the money. The warrant has an intrinsic value of \$5.

Warrants that are out of the money have a greater potential for growth, or leverage. When the stock price rises, out of money warrants tend to move up very quickly. Mr. Churchill says.

Among the out-of-the-money group, Merrill Lynch Canada is recommending warrants of BCE Developments, a subsidiary of Bell Canada Enterprises; Laidlaw Transportation; Lonvest Corp., which owns London Life; TransCanada PipeLines, another Bell subsidiary; and Trilon Financial, which controls Lonvest.

In the in-the-money group, the company is recommending warrants of American Barrick Resources, Bombardier, Coscan (formerly Costain), Peco Petroleum, Seagram, and Teck Corp.

Merrill Lynch Canada acted as manager for the share issues of Trilon, Lonvest, Laidlaw, Peco and American Barrick.

Court restores work freedoms

Dear Sir,
 The Supreme Court of Ontario recently made an important ruling which restored freedom to hundreds of thousands of workers who are forced to pay union dues.

The Court said that unions, for the first time ever, must reveal to workers details of how their dues are spent. The ruling also stated that any worker who pays forced union dues but is not a union member has the right to be reimbursed for any dues not used for direct collective bargaining purposes.

This decision is a great victory for freedom.

Those of you who pay forced union dues despite having chosen not to join a union can now do the following:

- Object to having any of their dues used to finance activities not directly related to collective bargaining.
 - Demand that the union supply to them detailed accounts of how and where it has spent their dues.

- Insist that the union divide that spending into collective bargaining and non-collective bargaining areas.

- Find out exactly how and where union associations like the Canadian Labour Congress spend their dues money.

- Demand a refund of that portion of their dues spent on non-collective bargaining activities.

- If such readers have chosen to join a union as a member but you want a refund, they can resign from the union and claim it.

Big union leaders have said that they will appeal the court's decision and that in the meantime they will neither reveal how they spend forced union dues nor refund any.

Nevertheless, we encourage dues-paying workers, who have chosen not to join the union, to demand that the big union leaders live up to the spirit of the Supreme Court of Ontario ruling.

In the meantime, Canadians can take pride in the fact that our country the little guy can get justice against huge odds.

David Somerville,
 President of National Citizens' Coalition

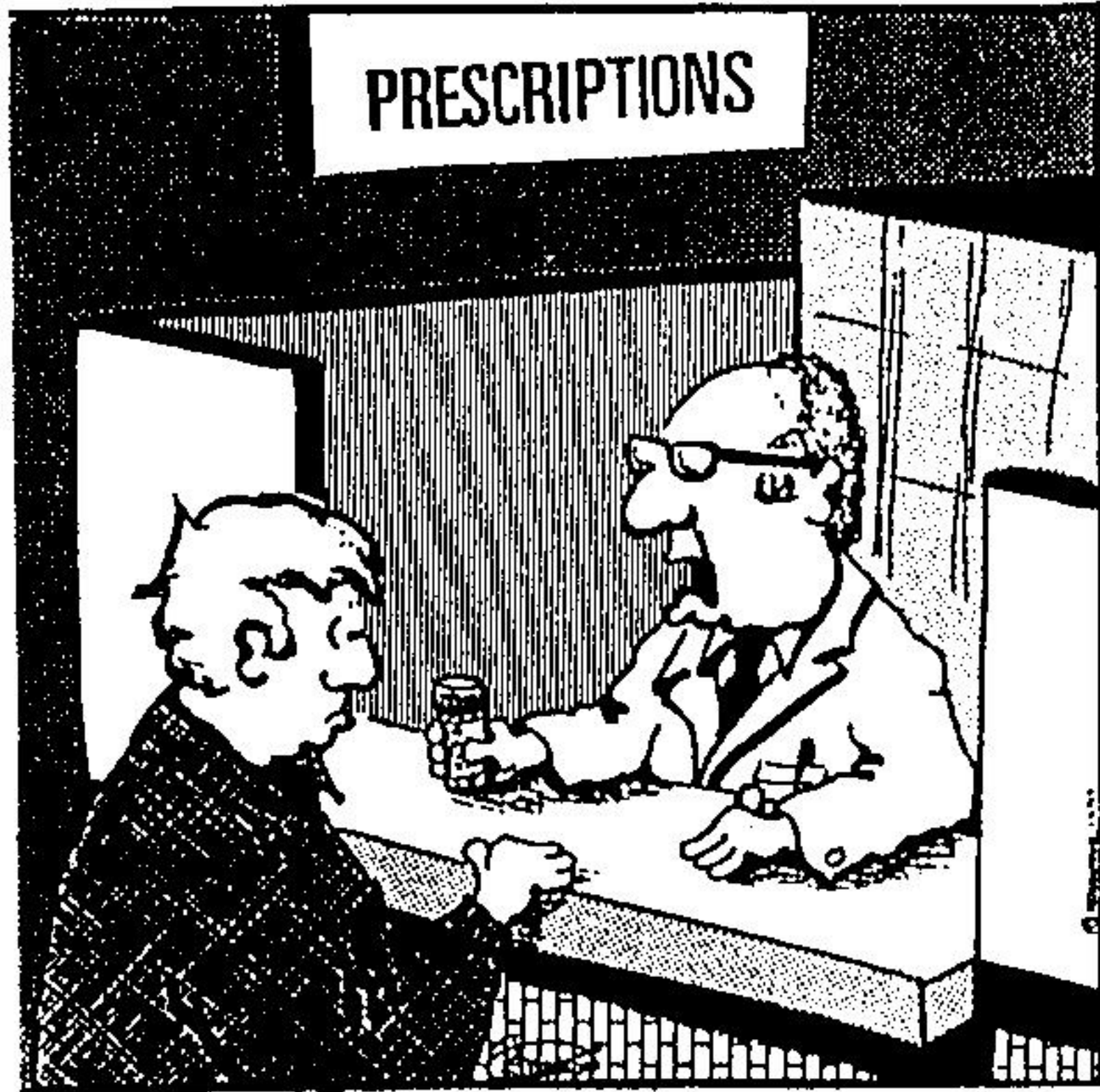
Fourth year for Open Door

Dear Sir-

This September, the youth drop-in centre of Open Door will begin its fourth year of service for the teens of Georgetown. This opportunity would not have been possible without the assistance and support of the many organizations and individuals who have donated their services, products and funds. I would like to express appreciation and thanks to a few of these firms, especially to Miracle Food Mart, Burger King, Co-op, Home Hardware, G.D.H.S., various churches in Halton Hills, and to the following individuals: Bev Scruton, Ross Stirling, Diabann Nadeau, Bonnie Marshall, George and Mary Lou Olah, Larry and Linda Clark, the Real Estate Brokers and agents, Mr. G.B. Carmack from IGA, and the Open Door Board of Directors. A special thanks must be extended to the parishioners and Reverend Boyles of St. George's Anglican Church and to Bob and Lorraine Tadman.

Because of these people, Open Door can continue to pursue its goal of providing counselling, fellowship and a gathering place for the young people of Georgetown. Once again, thank you.

Kelly Stern



"Not many doctors have the guts to prescribe this one!"

By BILL BUTTLE