# Halton Hills Ottoo!

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## Their Outlook

### Western Initiative: it's been done before

If you have some questions, or even a smattering of cynicism, about the new Western Canada Diversification Initiative, join the queue - it probably stretches all the way to Moncton where confusion still abounds over the new Atlantic Canada Opportunities Agency.

We're not questioning the government's good intentions in establishing these new agencies, but it seems we've been down this road a few times before. And those of us who attended a 1973 Western Economic Opportunities Conference in Calgary can't help being struck by the similarity of this latest initiative.



#### Ottawa Report

By Stewart MacLeod

The whole idea then, as now, was to ensure more western resources were processed within the region, and that the administration of industrial development be centred in the West. This commitment came after then Saskatchewan premier Allan Blankeney tore a strip off the "Ottawa mentality," and told Pierre Trudeau, the prime minister, not to bother reminding him that many federal bureaucrats were originally from Saskatchewan. "They're the worst kind," he sald,

Anyway, there were endless predictions back in 1973 that the face of the West would change forever with this new initiative to diversify the economy.

And let's not forget the 1981 Western Development Fund. It was to be loaded with \$4 billion, administered by Lloyd Axworthy, Manitoba's representative in the Trudeau cabinet, and would, once again, change the whole face of the West.

ELUSIVE FIGURES One of the difficulties with any development initiative, particularly when it involves a restructuring of existing departments, is that it's virtually impossible to iden-tify the "new money," as opposed to

what would have been spent without the new agency.

According to Mr. Axworthy, this new program, to be run by Indian Affairs Minister Bill McKnight - one of the brighter lights in the Mulroney cabinet - is nothing but a repackaging of, existing programs. But then, Mr. Axworthy, despite his experience in the business, is not the most objective observer of Tory initiatives.

The same can be said about New Democratic Party Leader Ed Broadbent, who took a rather cynical view about the formation of the Atlantic Canada Opportunities Agency. He called it "an incredible hoax," an opinion not shared aloud by any of the premiers in the region

But no premier is going to say he doesn't want a new development agency. However, one suspects some of these leaders have more doubts than they care to reveal. They, too, have taken a few trips down the same road.

If residents of Atlantic Canada still have trouble with the name of their new agency, its not surprising. In a relatively short time, they've had to become accustomed to, among others, the Atlantic Development Council, the Atlantic Enterprise Program and the Atlantic **Development Board** 

MANY QUESTIONS

Actually, not a great deal is know about the new western program, since the announcement from the prime minister was rather general in nature. For instance, part of its objective is to "support business intrastructure to further the economic development and diversification of the western economy" and "to represent the interests of Western Canada in the development of national policies..."

Also, while \$1.2 billion sounds like a lot of money, it seems to shrink a bit when you consider it's to be divided among four provinces over five years. As one researcher pointed out, it represents less than one per cent of provincial spending in the region.

Ottawa handed out almost as much last year in a special grain payment to struggling farmers.

Two's a Crowd

By BILL BUTTLE

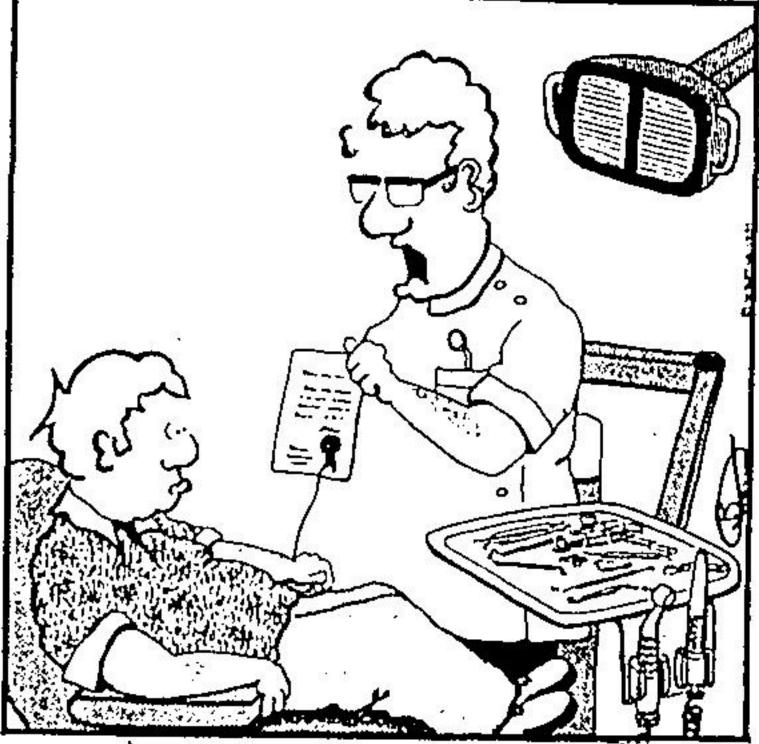


See? there's 23B right in the middle!

agricijai kala – serelejira drav agraficaji a

#### Two's a Crowd

By BILL BUTTLE



Keep this for going through metal detectors."

## All across the nation firms are making money

All across the country, companies are making money

In Thunder Bay, Great Lakes Forest Products' profit soared to \$2.05 a share in the first half of 1987 from 26 cents a share a year earlier, fuelled by strong demand for pulp and paper

In Calgary, BP Canada's profit rose to 40 cents a share from eight cents a year earlier, as oil prices bounced back:

#### Your Business

By DIANNE MALEY **Business Analyst** 

In Toronto, Royal LePage's profit rose to \$1.03 from 60 cents, buoyed by the booming real estate market.

And in Sudbury, Inco staged a dramatic turnaround, particularly in the second quarter. Inco's secondquarter profit rose to 11 cents a share from one cent in the second quarter of 1986.

PROFITS CLIMBING

Corporate profits leaped 38.5 per cent in the second quarter, a Globe and Mail survey shows

They have climbed steadily for three quarters, sending a clear signal that the economy has finally shaken off the after-effects of the

1982 recession This is good news for Canadians Companies will begin building new plants or modernizing old ones, creating jobs and wealth

Abitibi-Price, for example, is upgrading its Thunder Bay mill Service companies such as Royal LePage are creating new jobs.

As the good news rolled in, the stock market bounded. The Toronto Stock Exchange index rose to its highest point in history, creating wealth for the three million or so people who own shares directly, and the millions more who own them through pension funds.

So whether it rises or falls is of more than passing interest

NAGGING PROBLEM Canada faces the nagging problem of how to get all regions up and running Central Canada is booming but

the other regions are not. The federal government's new regional development initiative will help in a small way. But the real help will come from sustained economic growth.

Hoping the five-year-old expansion will continue may seem unrealistic. But a missing component - business investment in plant and equipment - is stepping in to save the day

Consumers have tired of their spending spree. Consumer debt is upand sales of big-ticket items, such as cars, are down.

The impressive profit growth means companies can afford to spend money again. When the rebuilding is done, they'll be in better shape than ever before.

This is particularly important in resource-based export industries, such as forestry, mining and oil and

Canada faces severe competition from other countries, making modern efficient plants essential

The Globe survey shows that some of the best profit growth this year came in the resource sector, where profits jumped 132 3 per cent from the second quarter of 1986

LEGACY OF FEAR

Plunging resource prices and emppling recession left a legacy of fear in the industry Each year since 1902, companies would announce capital spending plans, only to pare them back later

Big projects were delayed time and again.

This year, all that money is finally going to show up in the gross national product

All the good news has some economists worried. They fear inflation will come bounding back. The first sign, they say, will be wage settlements. Seeing all these good pro-Historically, the stock market has fits, workers will begin demanding been an indicator of things in come, , more money.

## Lessons from Irangate

By Ben Wattenberg

What are the lessons of the Irancontra hearings? They are many and varied, big and small:

A.) The Constitution Lives. It is fascinating that in this 200th anniversary of America's founding document, we are still debating its real meaning. After all, the central question of the hearings concerned who has, and who should have, the real power to run foreign policy. Should it be the president or Congress? We don't want a president with dictatorial foreign policy powers, nor do we want a system with 535 congressional secretaries of state. The Constitution doesn't answer the question. The hearings haven't answered it. But it is a question that a superpower democracy should be debating, even if it must be at the interminable length we have witnessed, sometimes drenched in sanctimony and demagoguery.

B.) Secrets can't usually be kept; lies are usually found out. That's one good reason why it's dumb to try to base a policy on secrets and lies.

C.) Although he apparently did not know about the diversion of funds, Ronald Reagan is not a detached dunce in only nominal charge of a runaway staff. It was he who pushed for the arms sales to Iran. He wanted the contras to be helped. The arms were sold. The contras were helped.

D.) Ronald Reagan is not a crippled president. While the Congress was hypnotized by the hearings, reciting their mantra, "lame duck; lame duck...," the president nominated a justice for the Supreme Court who may well influence U.S. policy for a generation, and his negotiators were working out a nuclear arms control agreement that may one day be seen as a first important step toward a less dangerous world.

E.) Turf wars never end. Secretary of State George Shultz was a fine witness; his judgments about the Irancontra events were wise. But his point that foreign policy must be run through the State Department is parochial. It is the president who is elected to run the executive branch of government. Regarding foreign policy, he may, at his discretion, ask advice from the State Department, the National Security Council, the CIA, private individuals or any combination thereof.

F.) National television is even more potent than previously imagined. For years the American public ignored the situation in Nicaragua. Even before Oliver North's appearance, the hearings moved the issue to the front burner as some witnesses and panelists stressed the contra cause. From a very low base of support, public opin-

ion polls began to move toward a procontra position. When North appeared, the polls took off, moving from roughly 2-to-1 against to almost even-steven. That support may be ephemeral, but, on the other hand, Reagan may be able to build upon it.

G.) Television is a two-edged sword. It can be used by Congress to hector witnesses Usually the witnesses are deferential; they are lobbyists or government officials who need congressional blessing. But when the witnesses have no reason to fear Congress, they can turn the tables, as North and his feisty counsel Brendan ("I am not potted plant") Sullivan demonstrated.