

# Halton Hills Outlook

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## Their Outlook

### Ontario election not about issues

Nothing better illustrates the magnitude of the Liberal victory Thursday than NDP Leader Bob Rae's see-saw battle to retain his York South seat.

For most of the night the result was in doubt, Rae only squeaking to victory in the last few polls.

And yet York South had to be one of the safer NDP seats in the province.



**Queen's Park**

By Derek Nelson

In contrast, Progressive Conservative Leader Larry Grossman's defeat in St. Andrew St. Patrick was less unexpected.

He had never won the seat by any great plurality in the past.

But in both cases, the point was the same.

A red tide was sweeping across Ontario and everywhere it was leaving victorious Liberals in its wake.

True, the occasional NDP and PC rock withstood the surge, but only where it was anchored by the popular personality of an incumbent or was rooted deep in the historical soil of a party.

This wasn't an election about issues.

It was about Premier David Peterson.

**STRATEGY FAILED**

The Conservatives tried to run an issue-oriented campaign, painting Peterson as indecisive and evasive.

Their evidence included Peterson's refusal to endorse or condemn free trade and his ducking questions about when he might impose official bilingualism.

It didn't wash. The electorate obviously preferred to believe Peterson would do the right thing, that his evasions weren't really evasions but simply caution.

The New Democrats, meanwhile, played heavily on people's self-

interest, on the desire for cheap auto insurance through a government plan.

That, too, obviously didn't make much impact.

It is true, mind you, that the New Democrats made marginal gains in their vote, up to 26 per cent from 24 per cent.

The remarkable thing is that the shift was so small.

They had claimed credit for most of the major moves made by the Liberal government, from the ban on extra-billing to the general tone of movement that the Grits projected for the last two years. (It was our agenda, as one New Democrat said.)

The electorate said no. The credit belongs to the Liberals.

Then, too, there was the question of federal coal-tariffs.

If the theory that federal politics has a direct impact on provincial voting had merit, one might have expected the NDP to have done better.

Yet poll-topping federal NDP Leader Ed Broadbent couldn't even drag the NDP back to the 29 per cent it won in 1975.

Grossman, as cool and relaxed election night as he was through most of his ill-fated campaign, mentioned the historical and federal realities that his party faced going into this contest.

But he left open whether Prime Minister Brian Mulroney's unpopularity had an effect or not.

If fact, it was probably minimal.

As Grossman said at another point, there wasn't much that could have been done tonight to stem the Liberal tide.

Actually, it wasn't really a Liberal tide. It was a Peterson tidal wave.

His sleepy summer campaign of shaking hands and eating hot dogs at barbecues fitted perfectly his people-to-people strength.

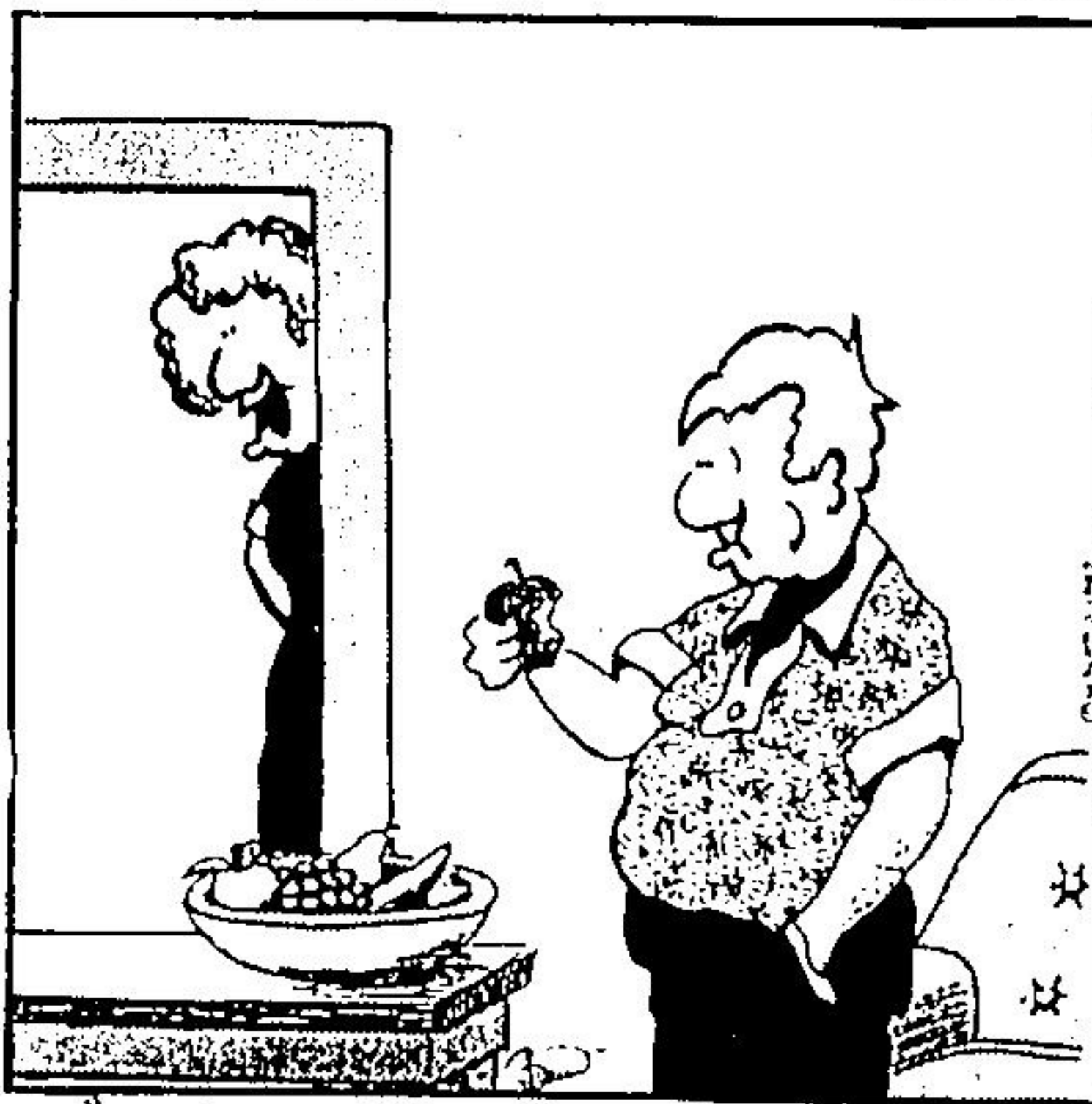
Yet, he made enough policy statements to give a sense of direction to the Good Ship Grit.

In short, he continued to perform much as he has for the past two years since he became premier.

And there can be no coincidence that the Liberal vote almost exactly matches how the party has stood in the polls for those two years.

### Two's a Crowd

By BILL BUTTLE



"Did you see the wax fruit I made in art class?"

### Tax system no longer favors stock investors

The tax system used to favor investors, but those days are gone.

It used to make sense to borrow money to invest in real estate or the stock market. If your income was less than your interest expense, you had a tax loss, which was a good thing. You could deduct this loss from your employment or business income.

tax-free gains may be pushed far out into the future by cumulative carrying charges.

The way the plan works, you stand to lose two ways. You may have a taxable capital gain where you had none before. Or the deduction from taxable income you once enjoyed may disappear.

The more you borrow, the more tax you will pay. Suppose, for example, that you bought \$100,000 worth of stock in 1985 with \$10,000 down. It's a growth stock, so your dividend income is only \$1,000 a year. You borrowed \$90,000 from the bank at 10 per cent, so your carrying charges are \$9,000 a year. Your net loss is \$8,000, which you deduct each year from your taxable income.

You sell the stock in 1990 for \$160,000, a \$60,000 gain. Your carrying charges add up to \$40,000 over five years.

**WOULD PAY**

Under current law, you would pay no tax, assuming you had not exhausted your \$100,000 lifetime capital gains exemption.

Under Mr. Wilson's proposal, you would pay tax on \$40,000.

By 1990, three-quarters of capital gains will be taxable, \$45,000 in this case.

You can still use your \$100,000 exemption, after subtracting your carrying costs.

One-quarter of your capital gains (\$15,000) does not have to be taken into income. Of the \$45,000 that does, only \$5,000 qualifies for the lifetime exemption once you subtract your carrying costs of \$40,000. So you end up paying tax on that \$40,000.

It would be better to sell your stock and buy it back again than pay tax on \$40,000. Use a discount broker if you do.

By introducing this change, the government is being especially hard on those people who have not used up their lifetime capital gains exemption.



**Your Business**

By DIANNE MALEY  
 Business Analyst

This was only half of it. When you sold your stock or income property for a profit, you had to list half of your gain as income, but the other half was tax free - assuming you had not used your lifetime capital gains exemption of \$100,000.

After this year, this double tax benefit will be no more, as we pointed out in June. It will be killed by Finance Minister Michael Wilson's tax reform plan.

Starting next year, the taxman will reduce your capital gains exemption by your net investment losses.

This proposal has two alarming attributes. First, the government will not deal with investments individually. Instead, it will deduct all your net losses - the amount by which carrying costs exceed income - from your allowable capital gains.

**CUMULATIVE LOSSES**

Worse, these losses will be cumulative, reducing your future capital gains exemption. This is a big change. It could cost you thousands of dollars in taxes that you never expected to pay.

Accountants have been telling clients to sell their stocks and mutual funds before year end to lock in their capital gains. Otherwise, the

### MP's Report

John McDermid



It is with great pleasure that I announce to my constituents on behalf of the Honourable Benoit Bouchard, Minister of Employment and Immigration, and the Honourable Gerry Weiner, Minister of State for Immigration, the plans to open a Canada Immigration Centre (CIC) in Brampton. Employment and Immigration Canada has been granted the authority to open the new CIC from the Treasury Board of Canada.

The new facilities will be located at 110 Queen Street East. Employment and Immigration Canada anticipates that the new CIC will be fully operational on September 28, 1987. This will greatly improve access to immigration services for residents of Brampton-Georgetown and will eliminate the need to travel to the Mississauga CIC. This new office is centrally located on the municipal bus route and has free parking.

I heartily endorse this undertaking as it brings to fruition and initiative begun some ten months ago and fulfills a commitment made by myself that Employment and Immigration Canada would improve the delivery of immigration services to the residents of Brampton-Georgetown.

On the occasion of the third anniversary of the Progressive Conservative Government led by the Right Honourable Brian Mulroney, this announcement marks yet another successful initiative of the Government to better serve the needs of Canadians.

### Influenza sufferers check now with MD

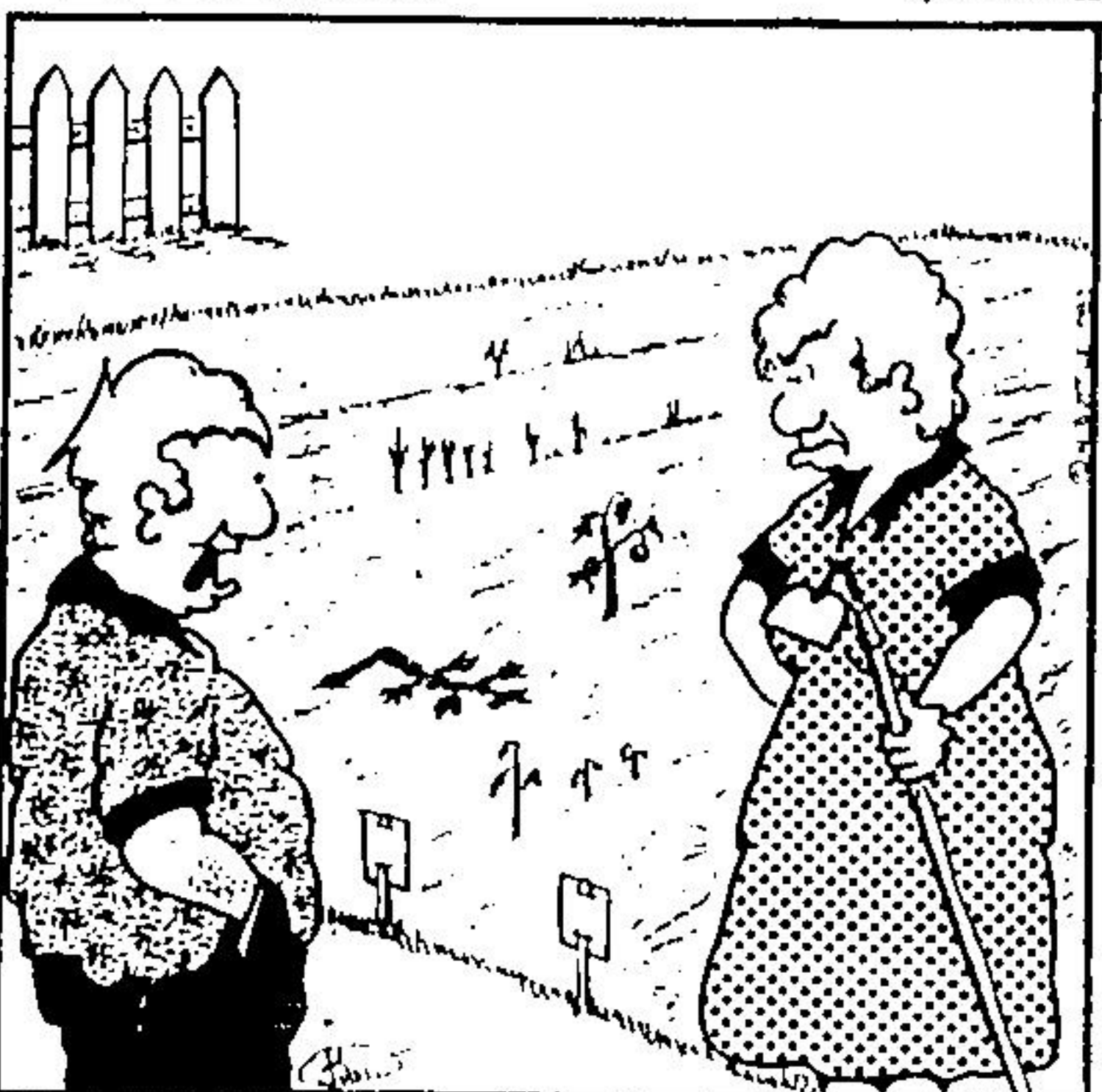
The onset of a Canadian winter brings with it the less than pleasant prospect of the flu season. Those dreaded symptoms of fever, chills, weakness, loss of appetite and aching muscles may be signals that the influenza virus has hit. Most people are well again after a week of the time-honoured and comforting treatment of bedrest and plenty of fluids. Staying at home protects your friends from catching the virus when you sneeze or cough.

In elderly people, however, and those who are already coping with an existing disease, the body's normal defence mechanisms may not be adequate for the fight. Complications can occur when the body is further weakened by a bout of flu and defenses are lowered. These high-risk persons include adults and children with chronic heart or lung conditions, kidney disease and conditions like diabetes, blood disorders or immune system problems. Residents of nursing homes and other chronic care facilities as well as persons over 65 years of age are also at risk. Recent studies show that the use of flu vaccine will decrease occurrence of illness as well as cut down hospital admissions, pneumonia and death.

Each year scientists study the previous winter's influenza incidence here and in many other nations and predict which viral strains will likely cause illness in the current season. Flu vaccine is then prepared by the pharmaceutical companies using a combination of these killed viruses. The 1987-88 flu vaccine is available now and physicians offer this annual protection to their high-risk patients.

### Two's a Crowd

By BILL BUTTLE



"Let's pray the weather holds for the harvest"