

Halton Hills Outlook

Outlook is published each Saturday 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 0913.

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

MARKETING REPRESENTATIVES
Pam Lowes
Sharon Hollingsworth
Karen Friolet
CLASSIFIED Terry Colter
Elaine Kuzvshyn
STAFF WRITERS Mary-Liz Shaw Brian MacLeod

PRODUCTION SUPERINTENDENT Dave Hastings
PRODUCTION ASSISTANTS Myles Gilson Wendy Buzin
Annir Olsen Lillian Chapman
CIRCULATION DEPARTMENT Marie Shadbolt
ACCOUNTING Mike Bowen Pauline Miller
PRESS ROOM FOREMAN Brian Atkman

Their Outlook

Americans interested in Quebec's water

It is generally acknowledged that any painful adjustments associated with free trade will hit hardest at Canada's manufacturing provinces - Ontario and Quebec. And this is clearly why Ontario Premier David Peterson is taking such a cautious approach to the proposed agreement.

Why, then, is Quebec Premier Robert Bourassa not only leading the Canadian cheering section on behalf of free trade, but also offering to stump the rest of Canada to help the Prime Minister Brian Mulroney sell it? Liberal Premiers are not noted for trumpeting on behalf of Tory Prime Ministers.



Ottawa Report

By Stewart MacLeod

In this case, Mr. Bourassa would be effectively campaigning against the federal Liberals who, under John Turner, are bitterly opposed to the deal. The premier obviously feels very strongly about it because this is the time a Quebec leader suggested a cross-Canada campaign since Jean Lesage went west in the early 1960s to answer a question: "What does Quebec want?"

His tour was not judged a resounding success. However, that's beside the point.

For the premiers of the two biggest manufacturing provinces to have such divergent views about free trade certainly begs a question. And the answer, in the view of just about everyone around Ottawa, is water.

Quebec has trillions of tons of stuff, and if there is one thing Premier Bourassa has been consistent about, it's his enthusiasm for making use of it. His original James Bay project of the '70s was just a start.

BIG MARKET

There is no doubt that water, while perhaps unmentioned in the text of the agreement, figures prominently in the free-trade package. The Americans have been casting longing eyes on Canada's water for years, and the whole question of exporting water has been controversial since the Columbia River project back in the early 1960s. The phrase "continental water"

has been heard in Washington for decades. And while the expression has drawn many objections in Canada, none has come from Robert Bourassa.

He has not only waxed enthusiastically about turning James Bay into one massive hydro dam and exporting electricity to an energy-hungry United States, he has even had ideas - and perhaps still has - of exporting water directly to the U.S. This diversion of James Bay water would involve construction of 100-mile dam.

While the selling of Canadian water is a tender topic with many politicians, it has long been advocated by Simon Reisman, Canada's chief negotiator in the free-trade talks. It's highly improbable that the negotiations dragged through 16 months without some talk about the trans-border movement of water.

Canada has more than 35 per cent of the world's fresh water supply. And Quebec's massive storehouse is close to the industrial heartland of the United States.

LITTLE MENTION

It's perhaps not surprising that the subject gets a little mention, given the emotion it sometimes generates. Instead, Mr. Bourassa talks about the many jobs that would be created through free trade, although both Quebec and Ontario are manufacturing provinces, he is quick to point out some sharp differences.

While Ontario has virtual full employment, Mr. Bourassa says Quebec is basically a have-not province, desperately in need of access to bigger markets. There would be some of those painful adjustments, perhaps in agriculture, but the premier tells audiences this would be more than offset by the creation of jobs in the manufacturing sector.

Parti Quebecois Leader Pierre Marc Johnson, an opponent of free trade, says it would endanger Quebec's control over language and culture. Mr. Bourassa disagrees.

The arguments within the province cover countless aspects, yet one seldom hears anything about water. But everyone knows how the premier feels. "Water is a good like any other," he said some time ago. "It can be bought and sold."

Jacques Proulx, head of the Union des producteurs agricoles, says that: "Mr. Bourassa has but one obsession and that is to sell more electricity to the Americans. He has to have a second monument to his memory, a James Bay II."



"Another market correction, perhaps?"

Constructing a floor under fallen market

Interest rates are tumbling a finance ministers and central bankers from the United States, Japan, West Germany, Britain, Canada, France and Italy rush in to save world financial markets.

All around the world, the keepers of the money are pouring it like savor on wounded markets.

The idea is to build a floor under the collapsing stock market, containing the damage triggered by the recent rise in interest rates. Flooding the market with money lowers the price, or the rate of interest lenders charge for it.



Your Business

By DIANNE MALEY
Business Analyst

The new liquidity will compensate for the trillions of dollars that have vanished into thin air over the past two months. If this money was not replaced, and if interest rates stayed high, the looming recession would be long and deep.

Bankers and brokers have been begging for help to calm the desperate markets. The official response was swift and sure. Slashing interest rates was the best thing politicians and central bankers could have done.

The White House started the ball rolling last week when it said interest rates were bound to fall. The stock market ignored the statement and dived anyway. It could see the bond prices were falling, forcing yields higher. Bond yields are a measure of long-term interest rates.

Last weekend, U.S. Treasury Secretary James Baker said he would not raise interest rates to defend the dollar, no matter what the other countries did. He was responding to West Germany's move to raise rates, which was against the agreement the seven largest western industrial countries had worked out months ago to calm currency markets.

SCARE INVESTORS

The stock market, which had fallen because interest rates were

rising, fell because they were falling. Traders reasoned that falling interest rates would mean a falling U.S. dollar, which in turn would scare foreign investors out of American stock market.

Traders also fretted that the pact to steady the currency market had fallen apart and the group of seven countries had split into warring factions.

Politicians, stunned by Monday's stock market collapse, quickly patched up their differences, prodding central bankers to loosen the purse strings. The monetary heroes trumpeted their good deed as the markets opened Tuesday morning.

In Canada, Finance Minister Michael Wilson said the seven countries intended to make sure there was sufficient liquidity in the system. He said John Crow, the governor of the Bank of Canada, was increasing the supply of money.

Treasury Secretary Baker rushed to Washington, cutting short a trip to Europe at the request of the President. And Alan Greenspan, chairman of the U.S. central bank, the Federal Reserve Board, said the Fed was ready to supply whatever money was needed.

There's a dark side to all this easiness. Central bankers know full well that they may be called upon to bail out strapped banks or brokerage firms.

Barring some unforeseen disaster, it looks like interest rates peaked last week. This makes the nine per cent yield on Canada Savings Bonds look attractive. Highly liquid CSBs are a good place to park your money while you wait for the opportunities that recession brings.

If you have a lot of money, you may prefer treasury bills. Keeping cash in your brokerage account is too risky because it is not insured by the federal government.

If you are relying on interest income, you may want to lock in current rates for longer terms with GICs or five-year Government of Canada bonds. Longer term bonds or bond mutual funds look appealing, too, although they are riskier.

I know stock is a dirty word these days, but some stocks may soon offer dividend yields that will look generous if interest rates fall further - Bell Canada, for one.

Staff Comment



By BRIAN MACLEOD

Same plan different approach

What a difference a week makes.

When a plan for developing 17 houses in two small subdivisions on the Georgetown Golf Course came before council Oct. 19, councillors seemed so violently opposed to it they were willing to sign its death warrant on the spot.

Coun. Joe Hewitt even called the proposal "ridiculous" and "out to lunch."

In fact, there wasn't one councillor willing to speak in favor of any detail of the proposal.

But this week an architect for the developer got his chance to convince councillors of the merits of the proposal.

The atmosphere in the council chambers this time around was much less hostile as Andrew Anderson detailed how the developers have respected every request by the town.

Yes, councillors did cross examine Mr. Anderson and they did express doubt over his claims that there is enough water in the area.

But they didn't put the plan to rest for good. They decided to defer the vote on the plan until the developer comes back with more information. Specifically they want to know how the developer intends to redesign the golf course in order to move four of the holes literally off the back yards of eight of the new houses, and formal hydrogeology report.

At least it shows their willing to listen. Realistically though, the proposal doesn't stand a chance of succeeding.

Councillors just don't want it. But it was nice to see their willingness to at least listen and give the developer another kick at the can.

Councillor Marilyn Serjeantson wants to do something about all the mobile signs in town.

"It bothers me to see these mobile signs that are everywhere along Highway 7," she said at Monday's Council Meeting.

Aw, come on. Some of these signs are getting pretty imaginative. I like the way some sign owners are getting involved in a sort of battle of wits.

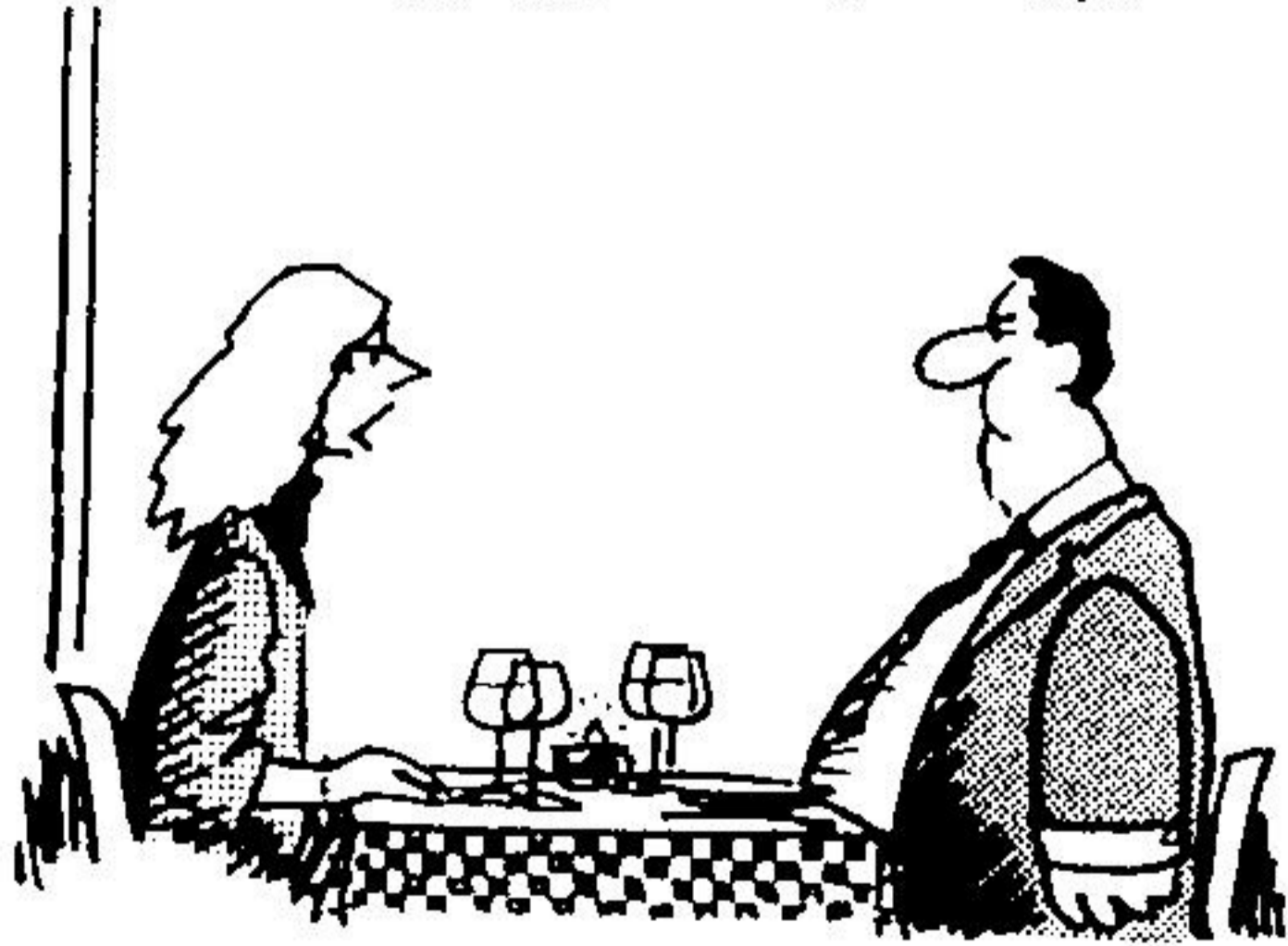
Didn't I see one sign along Highway 7 not long ago that said "A women's best accessory is a well dressed man."

"I'm hoping they'll pop up everywhere with witty sayings designed to brighten up the day of tired motorists dragging themselves home from work."

In fact, I'm issuing a challenge to anyone who can outwit my personal favorite sign.

This one sits outside an auto body shop on Spadina Avenue in Toronto just north of the QEW every Christmas.

"Have a smashing holiday."
"I'll keep watch and report anything that beats that."



© 1987 by NEA, Inc.

"Since I left you to grow as a person, it seems you've done some growing as a person yourself."