

Halton Hills Outlook

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877-2201 PUBLISHER
Don Brander
ADVERTISING MGR.
Carl Sinke
EDITOR
Dave Rowney

877-2202 MARKETING REPRESENTATIVES
Sharon Hollingsworth
Cathy McGough
Karen Friolet
CLASSIFIED SPORTS
Elaine Kuzshyn Mike Turner
STAFF WRITERS
Brian MacLeod Cheryl Mooder

PRODUCTION SUPERINTENDENT
Dave Hastings
PRODUCTION ASSISTANTS
Myles Gilson Mary Lou Foreman
Annie Olsen
CIRCULATION DEPARTMENT
Marie Shadbolt
ACCOUNTING
Mike Bowen Pauline Miller
PRESSROOM FOREMAN
Brian Aikman
ASSISTANT
Rychard McKeown

Their Outlook

PM learns little from past scandals



Ottawa Report

By Stewart MacLeod
Thomson News Service

Considering the vast experience Prime Minister Brian Mulroney has in handling scandals, he really didn't perform with any distinction in the case of Michel Cote.

Sure, he acted quickly, demanding the resignation of his supply and services minister within hours of hearing that Mr. Cote had violated conflict-of-interest guidelines by failing to disclose a personal loan.

But, apart from that fast action, there was nothing to indicate Mr. Mulroney learned much from his experience in explaining the departure of talented ministers. Mr. Cote became the eighth Mulroney cabinet minister to leave under a cloud.

On this occasion, the timing was a critical factor because the Commons was already in an uproar over the revival of the Marcel Masse affair. Mr. Masse, now energy minister, resigned from cabinet in 1985 while his election spending was investigated. When no charges were laid against him, he was reinstated.

But recently, it was revealed that while Mr. Masse was not charged, he was found to have violated the Elections Act with his campaign spending. Since that revelation, the opposition has been railing against the government, demanding to know why, if the minister was not totally vindicated, he was invited back into the ministry.

Mr. Mulroney and his government did not handle this matter with great distinction either. Not only were most questions left unanswered, but after indicating that a Commons committee would have a free hand to study the issue, this didn't turn out to be the case.

The committee's terms of

reference were so narrow, Mr. Masse couldn't even be forced to appear. However, he has asked to appear on Tuesday.

But, before this happened, the opposition had reached a heady rage.

TELLS LITTLE

It's bad enough having to face Parliament with any scandal, but to do so before an already-enraged opposition requires great skill. However, apart from the speed of the firing, there was little sign of any acquired skills in this respect.

Since the main opposition gripe in the Masse affair centred around the prime minister's alleged failure to answer questions and provide all available information, one would think Mr. Mulroney would make every effort not to compound this.

But he did compound it - by failing to provide any details about the financial dealings of Mr. Cote. He spent an entire Commons question period losing ground by suggesting we'd get all the information a few minutes later when the departing minister made a statement.

Mr. Cote said even less than the prime minister. He apologized for not revealing a personal loan from an old friend, and that was about it.

As could be expected, the opposition was furious. Liberal and New Democratic Party MPs didn't know whether they were dealing with a loan for a bus ticket or a multi-million dollar transaction. Nor was the name of the lender disclosed.

In the circumstances, it was inevitable the opposition would accuse the government of a cover-up. They've been over this ground too many times. NDP Leader Ed Broadbent said that "when you leave more questions unanswered than have been answered, then you have to question whether the government is trying to pull the wool over our eyes again."

Berry's World



Jim Berry
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"I'm beginning to worry about you and this 'COCOONING' business."

A sudden outburst of inflation unlikely



Your Business

By DIANNE MALEY
Business Analyst
Thomson News Service

Why is it our fate as Canadians to pay interest rates that are higher than they should be, and to endure a government that seems to think an eight per cent jobless rate is full employment?

In the United States, interest rates are substantially lower than they are in Canada; the unemployment rate is less than six per cent.

Recently, a sudden downturn in the economy prompted U.S. banks to cut their prime business lending rate by a quarter of a percentage point, to 8.5 per cent. As of Thursday, Canadian banks had not followed suit.

American bankers pared their rates in response to falling interest rates on financial markets, where they borrow money wholesale to lend to consumers and businesses.

The prime is important because it serves as a benchmark against which banks price their business and consumer loans.

But while U.S. rates were falling, John Crow, governor of the Bank of Canada, was busy explaining to the media how he was holding Canadian rates 1.25 percentage points higher than American ones to fight off inflation - at a time when the Canadian dollar is strong in relation to the U.S. dollar.

Why Mr. Crow expects a sudden outburst of inflation when the economy is already showing signs of a slowing is difficult to understand. If the history of business cycles means anything at all, we can expect the economy will weaken after six years of growth, not suddenly pick up steam again.

DEFLATION FEARS

South of the border, policy makers have spent the past five years

scrambling to avoid a 1930s-style deflation, sparked by the tight money policies of Federal Reserve Board chairman Paul Volcker in 1980 and 1981.

With the U.S. economy showing unmistakable signs of faltering, however briefly, it is doubtful that inflation will be a threat in the current business cycle. Mr. Crow is fighting battles past and future but he is doing little for the economy as it stands.

The problem, he says, is that Ontario is overheated. As well, there is a shortage of workers in Toronto, where prices for houses and other things are high and rising. Inflation could break out in central Canada and spread throughout the country, so his reasoning goes. He's dead wrong.

One wonders where Mr. Crow was when the market crashed. Toronto's unprecedented boom of the past two or three years is over; prices are high and falling. The big demand for workers cannot be filled because the wages offered are not high enough to meet the costs of living in Toronto.

ECONOMY COOL

Layoffs at the big banks and brokerage houses on Bay Street are chilling the city's economy. People are staying home more and saving money. In the United States, money is disappearing from the system, indicating that people are literally socking it away under their mattresses.

The central bank governor should wait to fight inflation until he can see the whites of his eyes. In the meantime, he should give some thought to unemployment, which is sure to rise as the economy slows.

Mr. Crow is worried about the tenuous strength of the Canadian dollar exchange rate. It's not clear why. A lower valued dollar makes travelling abroad expensive but it actually helps Canadian exporters.

To be fair, inflation likely will be a problem some time within the next five years. But it is not a real and present danger in 1983.

Staff Comment



By BRIAN MacLEOD

Dying to take risks

Have you ever sat there quietly quaffing down a long cool glass of water on a hot summer's day - and wondered if that glass of water just improved your chance of dying?

No? Then start! You'd have to if you lived in Miami. Because drinking Miami water for one year increases your chance of death by one part of one million, or .00001. Never thought of it that way, had you?

There's more. A study done for the Federal Dangerous Goods Rail Task Force Toronto Area includes in it a neatly printed list of all the things that can increase your chance of death by one part in one million.

- They include:
- smoking 1.4 cigarettes;
 - drinking a half litre of wine;
 - spending one hour in a coal mine (black lung disease);
 - spending three hours in a coal mine (accident);
 - living two days in New York or Boston (air pollution);
 - travelling six minutes by canoe;
 - travelling ten miles by bicycle;
 - travelling 300 miles by car;
 - flying 1,000 miles by jet;
 - flying 6,000 miles by jet (cancer from cosmic radiation);
 - living two months in Denver on vacation from New York (cosmic radiation again);
 - living two months in average stone or brick building (cancer caused by natural radioactivity);
 - one chest X-ray taken in a good hospital;
 - living two months with a cigarette smoker;
 - eating 40 tablespoons of peanut butter;
 - drinking 30 12 oz. cans of diet soda;
 - living five years at the site boundary of a typical nuclear power plant in the open;
 - drinking 1,000 24 oz. soft drinks from recently banned plastic bottles;
 - living 150 years within 20 miles of a nuclear power plant;
 - eating 100 charcoal broiled steaks;
 - living within five miles of a nuclear reactor for 50 years.

Sort of makes you want to sit back and re-evaluate your life doesn't it? Enough! you say. But there's more.

Those friendly souls with their heads tucked deeply into computer banks have some even more telling figures.

Did you know that the average annual risk for a professional aerial acrobat is more than two times ten to the negative power of three?

The average death rate in that sport is .22 and 360 people are estimated to be at risk annually.

The study even has the risk of death from football divided up into sandlot games, professional and semi-pro, high school and college.

But no one ever explained the risks of spelunking to you. Yes, you have more than one times ten to the power of negative four chance of dying from spelunking.

Nowhere in the survey does it mention the chance of death for the guy who drew up these statistics.

