

Halton Hills Outlook

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Their Outlook

Selling the free trade



Ottawa Report

By Stewart MacLeod
Thomson News Service

Perhaps I've got it wrong here, but it strikes me as somewhat of an insult to Parliament that the Mulroney government has to spend close to \$25 million of taxpayers' money to sell Canadians on free trade.

It was bad enough when, some 18 months ago, the government blew close to \$14 million on this project - with much of the money being wasted because information was so frequently overtaken by events.

Some of that glossy literature we were supposed to pick up at supermarket checkout counters, along with National Enquirer, was simply out of date.

Now, a new campaign, costing up to \$10 million, is beginning. And, naturally, we'll be inundated with literature and radio and television ads about the vast virtues of free trade. According to Deputy Prime Minister Don Mazankowski, it's all designed to help Canadians take advantage of the deal.

According to just about every living Liberal in the land, it's designed to help the Tories win the next election. With the possible exception of the Meech Lake accord, no single issue is more important to the government.

There is no quarrel with the Tories campaigning on behalf of free trade. It's the source of the funds that's at issue. Should the taxpayers of Canada be expected to finance a Conservative government campaign to sell Canadians on a free-trade deal with the United States?

The taxpayers are certainly not giving direct help to the Liberals and New Democrats - such as a taxpayer-financed campaign to explain why they oppose the deal.

OPPOSITION ANGRY

Strikes me that the proper forum for settling this argument is on the floor of the Commons, with help from MPs who are constantly speaking outside Ottawa. I mean, if 208 Conservative MPs, who represent just about every walk of life, can't sell Canadians on the alleged value of free trade, should we really be spending more millions in taxpayers' money on professional sales pitches?

What are we supposed to think, for instance, when Trade Minister John Crosbie gives his former political adviser, John Laschinger, \$25,000 for three months' work on this pro-

ject? With all due respect to Mr. Saschinger, there must be some MP qualified to undertake a little propaganda chore like this.

The deputy prime minister tries to put the best light on events by explaining that much of the money will be spent on seminars, etc., for trade commissioners and Canadian business people and investors. But, surely, a more logical time for this would be after the free-trade agreement becomes law.

Anyway, any Canadian business affected by the deal must now be aware of its implications.

As for Mr. Crosbie, he is, typically, difficult to pin down on this issue. Instead, he asks: "Shouldn't a government be driven out for dereliction of duty, negligence, malfeasance, misfeasance and general idiocy if it didn't spend any more money or time in trying to outline the advantages of a commercial agreement..."

Good point - if only the agreement were in place instead of being the main foundation of a party's political platform.

Liberal Leader John Turner, to the surprise of no one, says the expenditure of taxpayers' money on a free-trade pitch is "disgusting."

SOUNDS FAMILIAR

The criticism has a faintly familiar ring because, back in 1982, when the Trudeau government was telling us about the virtues of the new Canadian Constitution and the Charter of Rights and Freedoms, the shoe was on the other foot.

However, the feet are not quite the same. Even though taxpayers paid for those let's-hear-it-for-the-Constitution ads - remember the Canada Geese flying across our TV screens - it wasn't quite the partisan issue that free trade has become. And it was not a plank in any forthcoming election campaign.

But there is no question about free trade being partisan. The Tories are prepared to go to the wall on the issue while the Liberals and New Democrats are committed to tearing it up.

One of the more recent polls showed that 45 per cent of Canadians favored free trade while 41 per cent remain opposed.

All things being equal in politics, it's invariably the party with the most money that wins the most arguments. And if that holds true in this case, it's no contest. Not only do the Tories have full control of the public purse - and obviously intend using it - the Liberals can't even afford to pay their own office staff.

It's a pity the issue wasn't confined to Parliament. There, at least, we'd eventually hear all sides of the argument - assuming we could stay awake.

The facts — not myth

Dear Sir,

Teacher Federations and the likes of Mel Hurtig are trying to convince Canadians that the Canada-U.S. Free Trade Agreement (F.T.A.) will lead to U.S. domination of our education system and thus our cultural values because "it will eliminate Canadian content in textbooks and software packages that will flood in from the U.S." Nothing of this sort will happen. It is a figment of some people's vivid imaginations. There are a number of protections built into the F.T.A. to ensure it won't happen.

First, services by governments are not covered by the Agreement and this includes education. Secondly, publishing, as a cultural industry, is specifically included from

F.T.A. coverage. The government is committed to ensuring a viable Canadian publishing industry and the F.T.A. will have no impact on that commitment. Thirdly, provincial procurement is not covered.

All these measures ensure that provincial authorities will continue to be able to give preference to textbooks or software produced in Canada to set Canadian content requirements for such materials.

These are the facts, not myths that we see and hear from the opponents to Free Trade.

Sincerely,
John McDermid, M.P.,
Parliamentary Secretary to
the Minister for
International Trade

Two's a Crowd

By BILL BUTTLE



THERE'S A FARMER AT THE DOOR... WANTS TO KNOW IF HE CAN BALE THE LAWN.

Borrowers could be left holding bag



Your Business

By DIANNE MALEY
Business Analyst
Thomson News Service

Homeowners with mortgage loans are doing it again. As interest rates climb, they are rushing to lock themselves in to long-term loans.

The more people have to pay, the more they want to pay, it seems. Trouble is, borrowers will end up holding the bag if and when rates fall again.

Most lenders are charging 11.75 per cent for five-year money, compared with 10.75 per cent for one year. Six-month loans are even cheaper. Over the course of a year, payments on a \$100,000 loan spread over 20 years would be about \$770 more for a five-year term than a one-year one.

Chances are the borrower would be better off taking the cheaper interest rate and using the \$770 saving to pay down the principal.

OUTLOOK FOGGY

When it comes to short-term loans, though, the situation is less clear. One big lender, Royal Trust, is advising its clients not to take six-month loans. "Playing the short-term game is playing with fire," says Jacques Lebeuf, the company's vice-president of lending.

Asked to explain his company's position, Philip Armstrong, vice-president of personal credit, pointed out that Royal Trust had been recommending terms of more than one year for some time now.

Mortgage rates are the cost of renting money, Mr. Armstrong said. "Would you rent an apartment if there were a chance that in six months your rent would rise significantly and you'd have to move out?" he asked.

Royal Trust believes interest rates six months from now will be higher than they are today. Choosing a six-month mortgage term could be dangerous for new homeowners who have stretched their budget to the limit.

Established homeowners with a comfortable financial cushion have less to fear.

BANK CUTS RATES

Meanwhile, the Bank of Montreal surprised everyone this week by cutting some rates while its competitors were busy raising rates.

Hoping to lure people into longer-term loans, the bank slashed its five-year rate by half a percentage point. It is charging 11.25 per cent for three, four or five-year terms. The bank believes interest rates are at or near their peak.

This begs the question: If, in fact, rates are peaking, why on earth would borrowers want to lock themselves up for the long term?

No one can see the future, but the evidence points to lower interest rates in North America. The American dollar no longer needs higher rates to prop it up because U.S. exports are strong.

In Canada, interest rates are higher than they should be for no apparent reason. The wide spread between Canadian and American interest rates is propelling the Canadian dollar into dangerously high territory, leaving it vulnerable to a fall.

Any damage inflation might do in future has already been taken into account by financial markets. Interest rates, after subtracting inflation, are higher than they have been in years.

Consider, too, that the expansion is well into its sixth year; sooner or later, growth will slow. When that happens, interest rates will fall - barring some unforeseen disaster.

For homeowners, it's just another round in the desperate game of mortgage-rate roulette.

Housing hokum



Staff Comment

By BRIAN MacLEOD

Halton's Non-Profit Housing Corporation failed its first test recently.

The corporation was given approval by the Ministry of Housing to develop a 81-unit townhouse project at the intersection of Highway 403 and Highway 5 in Burlington on the edge of the Headon Forest Community.

After approval for that was given by the province the corporation, led by Burlington Councillor Walter Mulkeiwich, attempted to buy the land.

But it was a no-go. The price of the land was miles out of reach of what the corporation could afford.

Recently, a press release explained the situation this way: "On behalf of the Board of Directors of the Halton Non-Profit Housing Corporation, Councillor Walter Mulkeiwich announced today the Corporation's continued search for a non-profit housing site in the City of Burlington."

Talk about smoothing things over. How about calling a spade a spade and announcing that the highly political organization which was formed with much pomp and circumstance late last year got hit over the head with a sledgehammer called reality.

Vacancy rates throughout Halton verge on zero.

Their press release says, "While the loss of the Headon Forest Road site due to costing constraints is very unfortunate, the Halton Non-Profit Housing Corporation is very optimistic in being able to develop an alternate site, and address the need for affordable housing in Burlington."

I'd like to see the data which leads Mr. Mulkeiwich to be "very optimistic."

Back when the organization was formed, Halton bureaucrats warned it would be difficult to get started because of the high price of land.

So where are the indicators those prices are coming down?

Too bad the deal fell through before the municipal election. Now they've got to start all over again and chances are the "corporation" will still be political lip service come November.

There's no doubt the intentions of the councillors who sit on the corporation's board of directors are genuine. But why hype up possible ventures which are simply going to run into the same problem which halted the first one?

Tenants who are being milked by landlords in Halton need more housing, not more promises.

"Touche" may be the best way to describe one incident at town council June 13. Coun. Pam Sheldon chastised her colleagues for not showing up at public meetings, including some held especially for politicians, concerning Halton Region's urban structure review. "They have made every effort to hold meetings and councillors aren't showing up," said Coun. Sheldon.

But Acton's Norm Elliott replied: "Some councillors around this table still have that ugly little word that holds responsibility called a job."

Dead silence.
Coun. Elliott wants the meetings scheduled at night so those with jobs can attend.