

Halton Hills Outlook

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Their Outlook

Sound damage control



Ottawa
Stewart MacLeod
 Thomson News Service

When it comes to damage control, you have to give credit to Prime Minister Brian Mulroney and the way he handled the most recent whiff of scandal from his troubled Quebec caucus.

Mind you, that's not to suggest he has laid the matter to rest. Both the Liberals and New Democrats will do their best to ensure this doesn't happen. But the prime minister's proposals to overhaul the financing of political parties was, in the circumstances, about the best response anyone could produce on the spur of the moment.

Obviously, it would be more effective if government action were taken immediately, rather than after the next election. But we have to be practical. You just don't revolutionize political financing on a whim.

Actually, it wouldn't be unreasonable to wonder whether we'll ever see the proposals put forward by the prime minister, since so much depends on the outcome of the next election and the financial position of parties following that event. But there is no doubt that his quick response to events in Quebec helped quell the problem at hand.

To purify political money-raising, Mr. Mulroney said his government is ready to restrict contributions to individuals - that is corporations, associations and unions would be prevented from making donations.

The latest inspiration comes from an 18-page report on political ethics produced by Lucien Bouchard, Mr. Mulroney's relatively new Secretary of State, who entered politics as "Mr. Clean." As one of his first duties after being recalled as Canada's ambassador to France, Mr. Bouchard was asked to make suggestions for sanitizing the fund-raising business.

But the issue goes much further back. Early in 1987, Mr. Mulroney endorsed similar recommendations by Quebec MP Francois Gerin (Megantic-Compton-Stanstead). At that time, the prime minister said he would "take every step required" to eliminate the scent of scandal.

WELL-QUALIFIED
 But the latest report, coming from Mr. Clean, has obviously given the subject a much higher profile. And Mr. Bouchard, a lawyer, was well-

qualified for the job. He was once an enthusiastic member of the Parti Quebecois and whatever else one may think of that party, no one can question the purity of its money-raising process.

From its inception, the party refused donations from corporations and limited contributions of individual voters to \$3,000 a year. The whole idea was to prevent undue influence being exerted on the party by huge contributors.

Since the PQ, in its early days, didn't receive much, if any, corporate money in any event, its self-imposed restrictions probably didn't cause any hardships. Later, the Quebec National Assembly passed legislation governing contributions to all parties.

Actually, Parliament did too, back in 1974. But the main result of that Election Expenses Act, was to reveal - not restrict - the amount that major donors, including corporations, made to political parties.

What the prime minister now is talking about is far different. Apart from getting party funding out from under companies, associations and unions, individuals would be limited to donations of \$5,000.

The Quebec caucus already has accepted the recommendations. And in the wake of all those allegations of kickbacks and patronage, which came out of the province in the last couple of weeks, the prime minister said he would propose similar reforms on a national basis.

OTHER CHANGES

The reforms also would touch on the awarding of government contracts, stressing merit, not political favoritism. This was an opportunity, said Mr. Bouchard, to "contribute to an unprecedented cleansing of our political mores."

A quick endorsement came from the prime minister. "Political parties have to go out and get their money from ordinary citizens, in limited amounts - I think that is good for democracy." The changes would come from a re-elected Conservative government.

If the prime minister is determined to implement the reforms, he might be better to draft legislation during the brief Labor Day recess and strike while he still enjoys a huge majority.

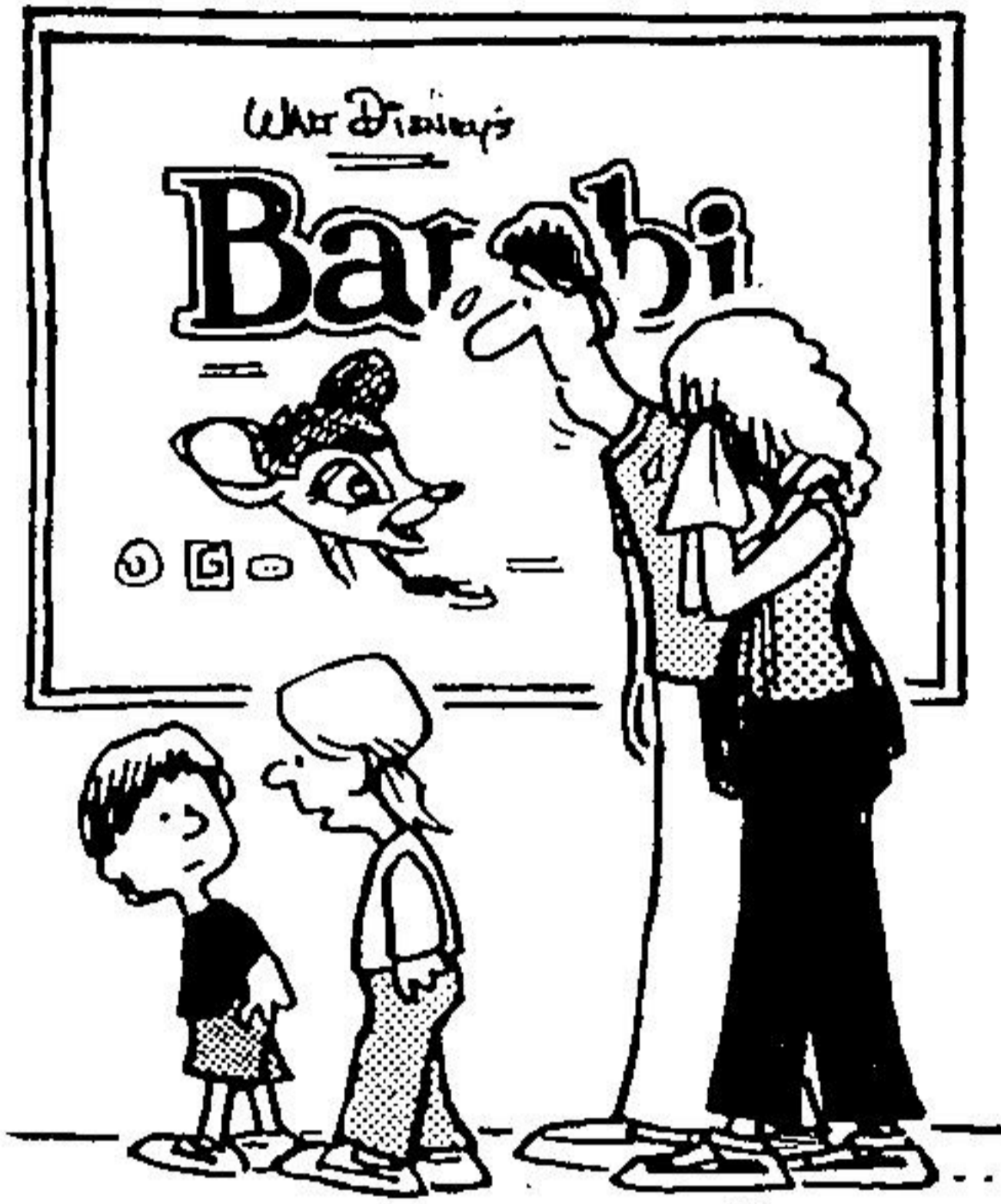
For one thing, immediate action would prove that he means business. For another, if his Tories don't come back with a clear majority, it might not matter what his intentions are. Despite the general approval greeting his announcement, both the Liberals and New Democrats have reasons to be wary of the reforms.

SNAFU® by Bruce Beattie



"Seen anything that matches this earring of my wife's that I threw out three weeks ago?"

Berry's World



"We shouldn't have let them take us to see 'Bambi.' They're at an age where they can't handle it."

Padding the mattress



Your Business
Diane Maley
 Thomson News Service

As I was leafing through the newspaper the other day, I noticed that the Federal Reserve, the American central bank, had misplaced \$17 billion (U.S.).

Central bankers aren't perfect. Look at John Crow, governor of the Bank of Canada, who believes we need 12 per cent mortgage rates to beat back 3.8 per cent inflation.

But to lose such a big chunk of the U.S. money supply is curious, so I wondered what the reason could be. It turns out there are three reasons.

Criminals don't tell the Fed how many U.S. dollars they have stashed away, so that might account for a big chunk of the missing money. Foreign dictators, too, like to keep a ready supply of greenbacks on hand in case they have to flee the country in the middle of the night.

The most surprising culprits, though, are the American people. For the first time since the Great Depression, Americans are taking their money out of the bank and burying it in the back yard.

HOARDING CASH
 "They're putting it into mattresses, safety deposit boxes, cookie jars," William Tehan, a New York money manager, says in The Globe and Mail. Intrigued, I phoned Mr. Tehan to see why intelligent people would forgo interest income in favor of lumpy, buck-stuffed mattresses.

"People are worried about the safety of the banks," he said, a position with which he fully agrees. "I think the economy is headed into

recession," something the American financial system would be too weak to withstand.

The shaky U.S. banking system would come undone in a recession as more people and companies found themselves unable to repay their loans. The result would be money panic and depression, Mr. Tehan says. "You'll see lines of people 10 blocks long waiting to get their money out of the bank."

People who fear inflation are still fighting the last war, Mr. Tehan says. They have limited their view of the future to what they have seen in the past.

SCARY STORIES

The next big inflation is "not going to happen," he says. "Don't worry about inflation. The big problem now is financial panic and depression."

Mr. Tehan has a good track record. He foresaw the great inflation of the 1970s, and his predictions about gold, deflation and the U.S. dollar have been too good to ignore.

This explains why some intelligent people are starting to hoard cash. "The principal characteristic of depression is a shortage of cash," Mr. Tehan points out. In a deflationary depression like the 1930s, prices fall and the value of cash rises.

Even though people tend to be quiet about this sort of thing, one of Mr. Tehan's clients confessed he took \$250,000 in cash and stashed it away, and another man says one of his friends is burying money in his back yard.

"This only happens once in a generation," Mr. Tehan says. As the recession progresses, people will begin to switch from cash to gold coin, then to deflated assets such as real estate and stocks, just as they did in the 1930s.

Around the region



Staff Comment
 By BRIAN MacLEOD

Isn't it amazing what some people will say in a fit of anger?

Letters have been pouring into Halton Region since councillors voted in July not to contribute more money to Halton Helping Hands to help increase salaries of workers in order to stop the 50 per cent turnover rate among the staff.

Most letters express a heartfelt appreciation for the service asking council to reconsider.

But one letter takes it a step further. It makes reference to Halton's recent decision to take part in the Africa 2000 program in which Region staff will be sent to Tanzania to lend their expertise.

The letter from a Burlington resident reads: "I object to my tax dollars going out of the country to ignorant people who can't even practise birth control and over populate their country and cause their own problems."

Ignorance, it seems, runs deep in this country as well.

The Coalition Against Open Sunday Shopping recently wrote a letter to Halton Region asking councillors to "put their money where their mouth is" and make a financial contribution to the organization to help its ongoing campaign against Sunday shopping.

Halton's Administration and Finance committee received and filed the letter.

Now that the new waste transfer station in Burlington is getting ready to open, the Region's garbage dump is getting ready to close. Last summer Halton voted to close down the transfer station at the Alderhot dumpsite once the site reached capacity, and open a new one at a cost of about \$3 million to the taxpayers.

The new transfer station is expected to be ready about Oct. 15. The dump will close about the same date.

Once the dump is closed all commercial and municipal waste produced in Halton will either go to the Walker Brothers in Thorold, or to Occidental Chemical for burning in Niagara Falls, New York. The cost to dispose of garbage this way will be approximately \$1 million a month.

Halton has already spent well over \$10 million looking for a new site.

The environmental assessment hearings which will decide between Halton's "preferred" site in Burlington and the next best site in Milton, are expected to wrap up in September.

Speaking of garbage, about 100 people in the audience at Gordon Alcott arena at the Acton quarry dump study group Wednesday learned that as soon as 28 years after the dump begins its second phase of operations, poisonous leachate could leak into Georgetown's water supply.

Hydrogeologist Vern Dixon said leachate will definitely reach Georgetown's water supply sometime between 28 and 90 years after Phase II begins operation, but the quantity of it will be so small it will be easily diluted.

Audience members weren't impressed.