

Canada, Mexico race for Japanese investment

market.

Canada...

capital.

There are reasons. For one

thing, Canadian workers are far

more skilled, and so more produc-

tive, than their Mexican counter-

parts. For another, our exchange

rate helps to make Canadian-made'

goods competitive in the U.S.

Perhaps there's a bigger ques-

tion here. Mexico may desperately

need the Japanese to move in and

set up manufacturing plants along

the Mexico-U.S. border, but does

creating a big pool of capital to

finance business and government

spending. Unfortunately, most of

Trouble is, not all Canadian com-

panies are inclined to expand their

domestic operations. Instead,

some prefer to build in the United

States or -- yes -- Mexico. Perhaps

it's about time we sat down and

JAPAN HAS THE MONEY

beg for our share of their corporate

largesse, perhaps we ought to be

calling on Canadians to invest in

the country's future. In the great,

global monopoly game, Japan has

ended up with most of the money.

It's about time North Americans

Let's not forget that the miracle

of Japanese management used as

its model early 20th-century

American caplitalists, the pater-

nalistic founders of corporate

America has singl-handedly in-

vented modern consumer society.

Mind you, in the late 20th century,

growing environmental concerns

are calling the whole enterprise in-

Rebuilding and diversifying the

Canadian economy will not be an

easy task. But it's not apparent

that North America lacks the

money and corporate savvy to do

to question.

won some of that money back.

Rather than running to Japan to

asked ourselves, Why...

that money goes to government.

It's not as if we're short of

Canadians save more

than Americans do,



Your Business Thomson News Service

In the race for Japanese investment, Canada may be losing out to Mexico, our emerging rival to the

The Japanese have not been big investors in Canada. Of total Japanese direct foreign investment (plant and equipment), Canada garnered only a small fraction in 1986, the latest year for which numbers are available. That amounted to roughly \$2 billion (U.S.).

Meanwhile, Japanese investment in Mexico has grown sevenfold over the past decade, albeit to a still modest \$1.3 billion (U.S.).

With the free-trade deal, Canada had hoped to lure more Japanese money. By investing in plants and equipment in Canada, Japanese companies would be able to enter the big U.S. market through the back door, so the thinking went.

Apparently, the rich American market has more than one back door.

The Americans, who have been growing increasingly protectionist lately, resent these ends runs on their domestic market. It seems they would rather have the Japanese set up plants in the United States, employing Americans rather than Mexicans or Canadians.

TRADING ILLUSIONS

The way the trade figures work, exports to the United States from Japanese companies situated in Mexico show up as imports from Mexico, not from Japan.

So, while the U.S. trade deficit with Japan may be easing from its record high, in truth, the Japanese are still flooding the U.S. market with their goods.

Canada would like Japanese investment because new plants create jobs for Canadians. But if the Japanese can get cheap labor in Mexico, why should they set up shop in Canada...

Terra Cotta postal service opens

Two months of negotiating and weeks of planning have put Terra Cotta General Store back on the list of local post offices.

Owner Ted Rombough opened postal services Monday for 420 Terra Cotta residents. Mr. Rombough began contract talks with Canada Post in April that ended in success.

For the next 10 years, Canada Post and Ted Rombough are part-

There is "no question" postal boxes installed in the store will make it easier to distribute mail, he said. Residents have their own keys and can open postal boxes. They had a choice and preferred mail boxes to mai slots.

Terra Cotta's success with Canada Post comes on the heels of a contract dispute between the owners of the Limehouse General Store and the postal corporation.

Last December, Delia and Gaskill-Cadwallader. Michael Limehouse store owners opted out of a postal contract that they said paid too little.

When contract talks looked bleak this spring for Mr. Rombough, he got a telephone call from Halton-Peel MP Garth Turner. Mr. Turner intervened in the talks.

"He called Ottawa and the person from Ottawa came down," Mr. Rombough said.

"I don't think (Mr. Turner) was getting hot and heavy into the postal issue at first."

The rural post office as the "heart of the community" will still exist, said the Terra Cotta store owner. "People will still come in and I'll still say 'hi'. There'll still be some contact."

The loss of rural postal services in Canada, and in Ontario, has been an issue with Rural Dignity, a group formed to preserve what they say is part of rural Canada's heritage. Erin resident and Rural Dignity member Liz Armstrong has been active with both the Limehouse and Terra Cotta postal decisions.



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Canada Post is attempting to privatize and close down rural post offices across the country, Ms. Armstrong said. But she said not

postmasters postmistresses have an MP to help fight their cause, as Ted and Donna Rombough did in Terra Colta.





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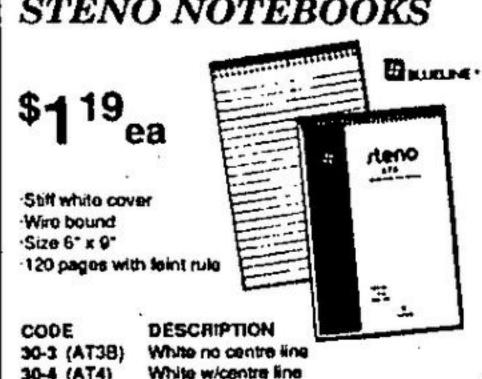
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