

Business Page

Campeau's empire is shored up



Diane Maley

Your Business
Thomson News Service

The big shots have gone home. The public relations men have finally gotten a good night's sleep, the first in many days. The last group of New York lawyers have loaded their briefcases and flown home. A sense of uneasy relief hangs in the air.

Robert Campeau's empire has been shored up. But what does it mean for the thousands of people touched by the drama?

Different things to different people. With the help of Paul and Albert Reichmann, Mr. Campeau has saved face. He has emerged a much humbler man.

"We took certain decisions with Federated which in hindsight do not appear to be wise," the weary founder of Campeau Corp. told The Globe and Mail.

For his new partners, the Reichmann brothers, Mr. Campeau's insolvency crisis means many months of hard work to protect what they thought would be a passive investment in stocks and bonds.

Shareholders have not lost all their money, although I wouldn't rush out to buy stock in Campeau Corp. Junk bondholders, too, have been delivered from total loss. Even so, they have lost a bundle, which has made some investment analysts - presumably those who recommended the bonds to their clients - furious.

"Campeau will never borrow again after what he's done to subordinated debt holders," snarls Andrew Leinoff, senior financial analyst with McCarthy Crisanti and Maffei Co. in New York.

Certainly, the 80-odd bankers and investment dealers who helped Mr. Campeau drown himself in debt will be more careful in future, now that they have to wait a little longer for their money.

But has our reputation with our American neighbors been tarnished? Are Canadian entrepreneurs like Garth Drabinsky of Cineplex and Mr. Campeau seen as bush-league wolves who can be whipped and sent home with their tails bet-

ween their legs?

Maybe. "Campeau has been on the American retail scene only three years, and look what it's come to," wails Janet Mangano, retail analyst with Josephthal and Co. in New York.

COWBOY CAPITALISM

But the problem seems to lie more with the Americans and their cowboy capitalism. Indeed, the high-flying U.S. junk bond market could end up suffering as much as Mr. Campeau.

Chastened by his humiliating experience, Mr. Campeau called the junk bond market a dangerous phenomenon that leads corporate buyers to become too aggressive.

"I believe this whole approach of high-yield bonds is going to have to change and in fact I think that the market for junk bonds is somewhat in jeopardy," he said.

Not all of the criticism of Mr. Campeau is unfair. He and his senior executives should have seen the liquidity crunch coming. All pretenses of a partnership with the Reichmanns aside, Mr. Campeau has lost the confidence of the capital markets. That's why the Reichmanns have taken effective control.

Ira Gluskin, analyst, money manager and business columnist, says he wouldn't be surprised if Mr. Campeau bounced back again, as he has done so many times before. "But this time - and it's the fifth time that I've vowed this - Bob will have to do it without me," Mr. Gluskin says, acknowledging that Mr. Campeau is an exceptional man.

Like his partners, the Reichmanns, Mr. Campeau has long since passed the stage where he is driven by the prospect of still greater wealth. To say he's caught up in the game would not capture the powerful allure of empire building.

As Paul Reichmann once explained, it's what makes a painter paint or a musician play. "A man will want to do what he does well until he is stopped by force or time."

OFFICE MAGIC

877-2300

FOR ALL YOUR OFFICE & STATIONERY NEEDS

136C Guelph St., Georgetown



Too close for comfort

Luckily for Halton Hills residents, the storm Hugo was relatively tame when it passed through town Friday night. However, it did leave some residents with its memory. Wind blew over this tree onto the back of a Charles Street residence in Georgetown during the storm. The house was undamaged. The storm also caused some minor losses of power mostly in the Glen Williams area, Halton Hills Hydro officials say. (Herald photo)

Super Sunday

The Super Sunday Series of concert tickets are now on sale at the early-bird price of \$14 per person for the three-concert presentation. After Sept. 30, the price will be \$15 per person. Get yours now.

Tickets are available from Penniesworth, Main Street; Georgetown Fabrics, Georgetown Marketplace; and the Georgetown Parent-Child Centre, St. Andrew's United Church on Mountainview. For more information, call 877-8927 or 877-4786.

Sponsored by the Georgetown University Women's Club.

877-0109 • 877-0109 • 877-0109

Simon Fraser

CHARTERED ACCOUNTANT

★ ★ ★ ★

Phone:

(416) 877-0109

132 Main Street South
Georgetown, Ontario
L7G 3E6

877-0109 • 877-0109 • 877-0109

STEVEN C. FOSTER, B.A., LL.B. BARRISTER & SOLICITOR

37 MAIN ST. SOUTH
GEORGETOWN, ONT.
L7G 3G2

TEL: 416-873-4961

FAX: 416-873-4962

Time Limited Built-in Vacuum Offer!



Don't lug a vacuum. Plug in a Beam.

The Works!

only **\$698.** (3-inlet system)

Installed, working and ready to clean with electric powerhead and hose!!

- Works like no ordinary vacuum can!
- Beam's workhorse power unit no. 167
- Clean-and-groom electric powerhead
- Super convenient current-carrying hose.
- 8 deluxe clean-everything attachments
- Chromed wands
- Goof-Proof ducting, guaranteed for life, even against clogs!
- So durable, it's the last vacuum you'll ever buy.

Act fast!

Time is short!



DON'T LUG A VACUUM - PLUG IN A BEAM! - GOLD MEDAL WINNER, 1987 CANADA AWARDS FOR BUSINESS EXCELLENCE.

Price may vary at participating retailers but Beam's famous guarantee never changes. Read it yourself! Copies available free from any Beam retailer.

HALTALARM Systems Inc.

Alarm Systems • Intercom Systems • Vacuum Systems

873-2500

Our Customers Are Our Best Advertising!

285 Guelph St., Georgetown, Ont. L7G 4B3

© Beam of Canada Inc. Sept. 1989 9122-2

G.S.S. OFFICE SUPPLIES
ONE OF GEORGETOWN'S BEST BUSINESS SERVICES LTD.
348 Guelph Street, Unit 4, Georgetown
(Delrex Blvd. & Hwy. 7)
877-2282 846-6947

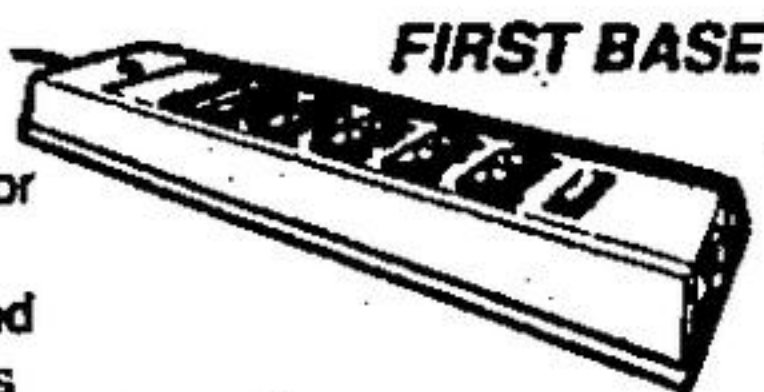
HOURS:

Monday-Friday 9:00 a.m. - 5:30 p.m.

Saturday 9:30 a.m. - 1:00 p.m.

POWER BAR

Power surge suppressor protects equipment against over voltage and power line disturbances. Electromagnetic and radio interference filter. Reduces service calls and annoying down time.



222-10206 (6005-9)
\$58⁹⁵ ea

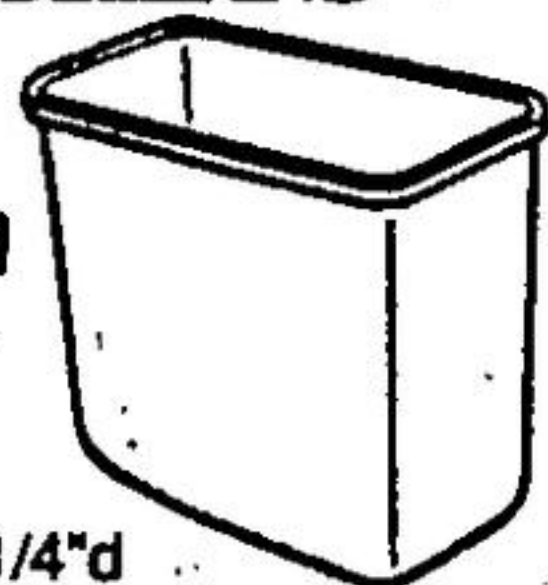
WASTE BASKETS

108-945 (2845)

REGULAR \$9.69

\$6⁴⁹ ea

- Fire resistant plastic
- 15 1/2" x 14 1/4" w x 8 1/4" d
- Available in Black, Brown, Orange and Beige

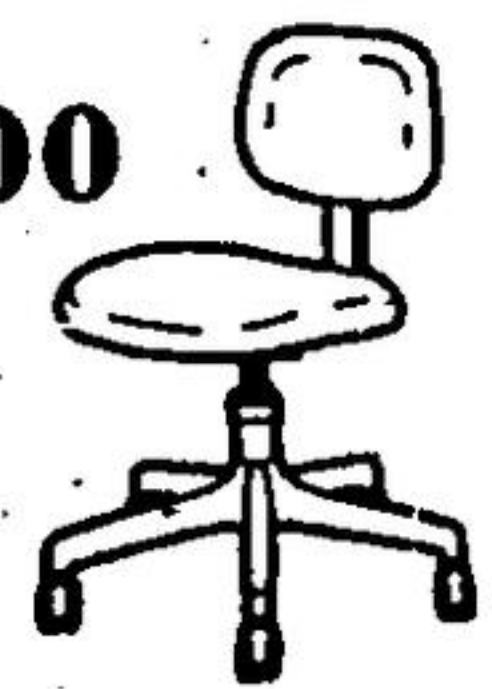


E-Z STENO CHAIR

66-6834 (6834)

\$109⁰⁰

- Manual seat height adjustment
- 5 leg base for extra stability
- Carpet casters
- Durable Fabric
- Colours Black, Brown, Grey, Burgundy



G.S.S. OFFICE SUPPLIES & SECRETARIAL SERVICES

877-2282

348 Guelph St., Unit 4 (Delrex Blvd. & Hwy. 7) Georgetown

846-6947