

the HERALD Outlook

"OUTLOOK" is published each Saturday by the HALTON HILLS HERALD, Home Newspaper of Halton Hills, A Division of Canadian Newspapers Company Limited, at 45 Guelph Street, Georgetown, Ontario L7G 3Z6.

877-2201

Second Class Mail - Registered Number 0943.

877-8822

PUBLISHER
K. Robert Malcolmson

STAFF WRITERS
Ben Dummett Alan Mackie

ADVERTISING SALES
Jeannine Valois Craig Teeter
Stacie Roberts

EDITOR
Brian MacLeod

SPORTS EDITOR
Colin Gibson

PRODUCTION DEPARTMENT
Dave Hastings, Supt. Myles Gilson
Stu Robertson Susanne Wilson

AD MANAGER
Dan Taylor

ACCOUNTING
Jennie Hapichuk Inga Shier

CLASSIFIED ADVERTISING
Joan Mannall

CIRCULATION DEPT.
Marie Shadbolt

Canadian dollar will tumble, money expert says



Dianne Maley
Your Business
Thomson News
Service

TORONTO - Get out of Canadian dollars before it's too late, says Stephen Jarislowsky, a Montreal money manager.

Sooner or later, the Canadian dollar will tumble against its U.S. counterpart, Mr. Jarislowsky predicts. "When you know that a volcano can explode, you do not stick around," he told the Canadian Association of Financial Planners recently.

Mr. Jarislowsky is no wild-eyed doomsayer. He is one of Canada's most esteemed money managers. So his warning must be taken seriously. As he sees it, there is a 40 per cent chance that the dollar will collapse. It could fall right through its previous low of 69 cents (U.S.).

Constitutional talks have nothing to do with his forecast, Mr. Jarislowsky says. The federal government's growing foreign borrowing and heavy reliance on short-term debt make the exchange rate vulnerable.

WHAT DO DO?

I called Mr. Jarislowsky in Montreal to see what investors could do

to protect themselves.

"Transfer money outside of the country," he said flatly. Must the transfer be physical? I asked. "Not necessarily," he said. Opening a U.S.-dollar bank account may do. But if the dollar's eventual fall prompts exchange controls, only money that has been transferred outside the country will be safe, he noted.

Given Mr. Jarislowsky's reputation, it may be wise to consider diversifying your investments.

People with substantial sums to invest can buy U.S. Treasury notes and bonds, money market paper issued by big U.S. corporations or other such things. People with less money can transfer funds to a U.S.-dollar bank account in Canada.

If you are planning to travel south next winter, this might be a good time to buy your U.S. dollars. You will not earn as much interest as you would on Canadian dollars, but you could still come out ahead.

"The reason we are getting so much interest is because our currency is no good," Mr. Jarislowsky said.

Another way to hedge against a tumbling currency is to buy Canadian-based mutual funds that invest in U.S. or international stocks and bonds. Or, you can buy open-ended mutual funds - single-country funds, for example - that trade on the American Stock Exchange.

If your money is locked up in a registered retirement savings plan, you can still protect it from a currency fall, Mr. Jarislowsky points out. The bulk of RRSP funds must be invested in Canadian securities.

SNAFU® by Bruce Beattie



"Got a mailman's uniform? I want to disrupt a dog show."

US savings industry is in trouble

Kevin Bell

Washington
Bureau
Thomson News
Service



WASHINGTON - The super-power summit may have kept President George Bush's mind off one of his biggest problems.

The bailout of the savings and loan industry isn't yet seen by the public as one of the White House's top priorities. But after the departure of Soviet President Mikhail Gorbachev from Washington, Bush sooner or later will have to confront growing concern over the cost of breathing new life into S and Ls that went belly-up after managers poured billions into risky, government-insured loans.

Nobody seems to know that the exact tally will be for reimbursing depositors, but it probably will be much higher than the official White House estimate of \$130 billion.

When the Reagan administration first realized that there was a problem in 1987 with falling S and Ls, it asked Congress for \$15 billion to boost the deposit insurance fund. The industry thought it could get along with a mere \$5 billion, but Congress voted for \$11 billion anyway.

KEPT GROWING

Last year, the government spent an estimated \$50 billion on S and Ls. Since then, the problem seems to have grown at an exponential rate.

Treasury Secretary Nicholas Brady testified before Congress that the cost of the bailout might reach \$130 billion, a figure that most experts say is overly optimistic.

The General Accounting Office, which audits Congress's books, says \$325 billion will be needed. Alan Greenspan, the chairman of

the Federal Reserve, says the cost could exceed \$500 billion.

Just a few months ago, L. William Seidman, the man in charge of Federal Deposit Insurance Corporation, also told Congress that his estimate was half a trillion. His testimony before a congressional committee so outraged the White House that Bush publicly said it would not be a bad idea if Seidman would leave his position before his five-year term expires next year.

"Some people don't like to hear the truth," Seidman responded when asked about Bush's efforts to give him the heave-ho.

The trend is clear. The estimates have been rising rapidly. Just five months ago, the highest figure being bandied about was \$200 billion. But the weekend talk-show pundits have seen the line on the graph rising sharply. Some are now predicting a bailout of \$700 billion or more.

A few days ago, the New York Times labelled the savings and loan bailout as "the biggest scandal ever."

"Forget the relatively puny bailouts of Chrysler, Lockheed and New York City," a Times editorial said. "Even the Marshall Plan, which bailed out Western Europe 40 years ago, cost a mere \$65 billion in today's dollars."

So, where is the U.S. public's outrage? Taxpayers went nuts when Congressmen voted themselves a pay raise last year that amounted to a total of a paltry few million dollars more in annual congressional salaries. The pay-rise issue is so hot that a virtually unknown candidate used it to challenge an incumbent for his party's nomination and came within a few percentage points of beating him, sending a chill to many Congressmen who are facing re-election this year.

TOO HUGE

But why are the same taxpayers apparently oblivious to the fact they will be asked to foot most of the bill for a possible \$500-billion bailout? Perhaps, as one commentator recently said, the figures are so huge that the average person can't get his or her mind around them.

Peterson memo recalls Trudeau's faux pas



Stewart MacLeod
Ottawa
Thomson News
Service

OTTAWA - If Ontario Premier David Peterson needs a shoulder to cry on over his embarrassment about that leaked memo, he could always call Pierre Trudeau.

You remember him. He was prime minister during another infamous leak over constitutional negotiations. And what he had to deal with was far more embarrassing than the "junior bureaucrat" memo that now haunts the Ontario premier.

When the federal leak occurred back in 1980, the prime minister couldn't even blame it on some unnamed junior bureaucrat. It was the handiwork of Michael Kirby, who was Mr. Trudeau's point man in the negotiations that led up to the 1982 patriation of the Constitution.

It was almost as though the memo came from the prime minister himself.

And to say that it was merely an embarrassment would be irresponsible understatement. It nearly scuttled the negotiations entirely.

The police were called in to see if the source of the leak could be traced, but nothing was ever revealed. However, it is interesting that the Parti Quebecois, which recently acknowledged having "spies" in Ottawa during its reign in Quebec, was the first recipient of the memo.

The province's intergovernmental affairs minister of the day, Claude Morin, had a field day distributing the document.

Mr. Trudeau was not amused.

SIMILAR ADVICE

Actually, apart from the seniority of the authors, the two memos have a number of things in common. They both offered advice to the governments that employed the authors, and they both delved into the devious business of dividing the provinces and diluting the opposition.

In the case of the Ontario memo, which the premier claimed he never saw, the suggestion was to undermine the credibility of the three dissenting premiers on the Meech accord. Credited to - or blamed on - two junior bureaucrats, the embarrassing memo suggested that Premier Gary Filmon of Manitoba be portrayed as erratic, inconsistent and unpredictable and that New Brunswick Premier Frank McKenna be portrayed, not as conciliatory, but as "part of the problem." As for Newfoundland Premier Clyde Wells, his concerns should be described as "out of proportion."

After hearing about it, Mr. Peterson described the memo as "one of the stupidest things I have ever seen in government" and he suggested the career paths of the authors might be in for a dramatic downturn.

In the case of the leaked Kirby memo, Mr. Trudeau did not have the same freedom of expression.

Poets' Corner

THE OPAQUE MASK

When she speaks, fire comes out!
When she is silent, her eyes rove about.

She is never happy or cares to be,
But loves making other peoples lives miserable,
which deeply disturbs me!

I often wonder what the future holds for a person like her,
I can't help but wonder what her life would be like if something good were to occur.

If I only knew why she acts this way,
Pecking at her prey from day to day.

It's too bad though, that she doesn't care about anyone else but herself,
For I have seen her quietly hide her emotions on a lonely shelf.

Who is this she, you may ask?
She is a person known to many, even though she wears an opaque mask.

Dawn C. Manning
Georgetown.

THREE LITTLE COLTS

Three little colts, two in tan fuzzy lite
One in black, touched with white
Born in a corner on the 5th Line in a shack

Maybe someday, big winners on the track

Where the wind blows hard
And the draft comes through
They don't mind the cold
Their hides are tough and bold
They need their mother for a month or two
Till the grass grows tender
And they learn to chew
When disturbed they run like deers
Leaves a thrill in you for years
Hope some day, will find a home
Where, someone is proud to own.

By Albert Brooks,
Limehouse.

LONG TIME AGO 1940

Hello my little darling, I hope you're feeling fine
I haven't heard or seen you, for a long long time
My old car is acting up, it's really getting bad
If I don't see you soon I think I will go mad
When I get so lonely, I only think of you
Then you do not write to me, I feel so awful blue
Old Lizzy will be working, I'll be coming down
You will see a cloud of dust heading into town
Maybe you don't know me, to you I would be true
I have got to see you, if it's the last thing I do.

By Albert Brooks,
Limehouse.