

Letters

MP's isolated from reality

To the Editor:
Ottawa has been nick-named "Wonderland on the Rideau" and no wonder - it fits.

The federal politicians who live and work there have insulated themselves from some of the unpleasant realities of the world - realities which the rest of us taxpayers must endure every day.

For instance, Members of Parliament never have to worry about receiving the medical care they want, when they want it. Many Canadians are now suffering on long waiting lists for heart operations or hip replacements. Most of us have spent time in the waiting rooms of doctors or hospitals.

MPs don't have those problems because they can simply breeze into an Ottawa clinic established specially for them, where they are treated immediately.

This exclusive clinic has a doctor on staff whose only duty is to

treat MPs and senior bureaucrats. The country's health care system might be falling apart, with people dying on waiting lists but our elected leaders are guaranteed medical care at their convenience.

They have also guaranteed themselves a worry-free retirement: MPs enjoy one of the most lucrative pension schemes in the world.

After only six years in office MPs are guaranteed a pension with unlimited protection against inflation. Worse, the pension is payable on the very day they leave office, regardless of their age.

Then, of course, there are all the wonderful perks of office MPs enjoy. The generous tax-free allowances, the free travel, the six months severance pay if they lose an election, the expense accounts and a whole host of other privileges paid for by the tax-

payer. MPs have set themselves above the Canadians who voted them into office, as a privileged ruling class. This is something we expect to occur in a place like the Soviet Union - but in Canada?

Pity. MPs are held in deep disrespect by Canadians and they have earned it. If they want to win back our respect, the respect they should have as our elected representatives, they will have to earn it. For starters, that means no special medical clinics and a fundamentally reformed pension plan.

True leaders lead by example. It's past time that Canada's political leaders did just that.

Sincerely,
David Somerville,
President of the National
Citizens' Coalition,
Toronto, Ont.

Positive aspects of development

Dear Editor,

It was refreshing to hear from a reader who is aware of the positive aspects of development. We are referring to the letter by D. Morrow entitled, "Town can't stand still if it's to survive".

In the popular "anti-development" movement, it is easy to lose sight of the real purpose of development - to provide homes for families and places for people to work, shop, play and attend school. Jobs are created both during construction and after when the new people join the community. The lot levies and taxes help reduce the tax burden and provide better services for residents. We should not forget that most of us live in

homes because someone was willing to risk the time and money to obtain a severance or a plan of subdivision so our houses could be built.

Input from local interest groups is needed to provide a balanced examination of the various needs of our community. When conflict occurs, it should be resolved by reasoned discussion and debate - not by noise, numbers and confrontation. We must all work together to ensure that our community not only "survives" but also obtains the benefits produced by responsible development.

Yours truly,
Kent and Lois McClure,
Halton Hills.

Don't mortgage future

Dear Editor:

Like D. Morrow (Oct. 13), I have been encouraged by our cost conscience town and region councils. Any way you look at it, a penny saved is a penny earned.

But D. Morrow and I part company at this point. He welcomes the defeat of Beechbrooke. He welcomes a council turning its back on residents in favour of development. He feels sad the Hills missed out on an asphalt plant. Too bad if residents don't like a highrise in their neighbourhood - more taxes will come. Too bad if residents don't want a plaza around the corner - lost taxes.

I do not think we have to tear a community apart to afford the present. I think our council has made a mistake at some point to

include building permit revenues in general revenues. When building is rapid, revenues are up. At this time repairs and maintenance should be done using this special building fund. When times get tough, then maintenance should slow down. We do not have to mortgage the future to pay for the present.

The trouble is development income becomes a drug which we need constantly. Forget interest groups - we need the income. I think not. Development income does not reduce taxes. In fact, it puts pressure on taxes for more services. Last time I checked they were paying taxes in Mississauga. Were they not?

Sincerely,
P. Hynds,
Acton.

The victor of the feud

Dear Editor:

I am earnestly hoping you will find space in your valued paper to print this letter, and I trust you will appreciate my motive for having you print same.

Apparently Wheldon "Steamer" Emmerson left many of your readers "hanging in mid-air" concerning a feud that he proclaimed with me because I had inadvertently misspelled his name "Wheldon".

I have received numerous letters from old acquaintances in Georgetown, as to the outcome of this feud.

Now my motive for your printing this letter is to save 39¢ for every stamp I would pay to res-

pond to each of these letters.

To get back on track regarding the feud - it is known as the shortest feud in history, and "Steamer" and I are once more the best of friends.

I am pleased to announce that I am the victor of the feud, which Steamer also concedes, because by his own admission I knocked the "H" out of Wheldon.

I wish to thank all for their concern, and I must add a little closure to this letter, to wit - Steamer has now to settle another feud; with my wife, Edith.

I received a letter from him today, in which he closed with conveying his regards to "Eadie".

Oops, Steamer, please be ad-

vised that her nickname is spelled "Eadie".

Gratefully yours,
Ernie Alcott,
Port Colborne.

Bazaar a success

To The Editor:

May we take this opportunity to thank the Herald for your support regarding our recent Christmas Bazaar. We also thank the many residents of Georgetown and district for coming out and hope that you enjoyed the items available at the bazaar. It is only through your support that we, in turn, are able to donate to many causes in and around Georgetown.

We would like to announce the winners of the Cash Draw - Lorne Allen, Georgetown - \$300.00; Marlene McKenzie, Brampton - \$200.00; Joan Thacker, Georgetown - \$100.00.

Once again thank you very much.

Holy Cross Parish
Georgetown
Bazaar Committee

Write us a letter!

The Herald wants to hear from you. If you have an opinion you want to express or a comment to make, send us a letter or drop by the office. Our address is 45 Guelph St., Georgetown, Ont., L7G 3Z6.

All letters must be signed. Please include your address and telephone number for verification.

The Herald reserves the right to edit letters due to space limitations or libel.

Thanks from POWER

Dear Editor:

A special thankyou to all those who attended the P.O.W.E.R. of fashion on September 25, 1990. We appreciate the support which you have given to our group and its purpose.

We extend a very special thankyou to Elizabeth's Fashions

for hosting the show. It was a well-orchestrated event.

It was wonderful to see so many people come together and help. Thankyou to those who donated their time and efforts to this event.

Sincerely,
Barbara C. Skok.

Columnists

Space invader games played with interest rates

By VIC PARSONS
Ottawa Bureau
Thomson News Service

OTTAWA - It's like something out of those space invader computer games. You blast one reason for high interest rates out of the sky, and a bigger, meaner, faster villain is on the screen.

That's why, in spite of a modest lowering of interest rates lately, many experts are saying they will be staying high for some time yet.

Take the case of excess demand. A year ago, John Crow, governor of the Bank of Canada, was complaining that spending and borrowing by individuals and businesses was too high. That was his justification for a tough, inflation-fighting monetary policy that led to high interest rates.

Now, he says, there's a better balance. "Demand in the economy has fallen back from the unsustainably high levels of last year," he said recently.

This is visible in several areas. One is the rate of growth in mortgage borrowing. Canada Mortgage and Housing Corp., a federal agency, says mortgage credits - which now totals about \$220 billion - will grow by 12-to-13 per cent in 1990. In 1991, it's expected to fall to the nine-to-10 per cent range.

This is a sharp drop from 18-

per-cent growth rates of the past two years.

October's Bank of Commerce review notes the same trend. In the July-to-September period, there was a "marked slowdown" in mortgage credit growth. Consumer loans have fallen off slightly, and the federal government and private businesses are borrowing less. Only the provinces and municipalities are borrowing at the same rate this year as last.

RECESSION HERE

So far, so good. Perhaps now Mr. Crow could ease off, especially since his policy has pushed the country into recession?

Not so fast. Here comes another squadron of those suicidal space aliens.

Now that demand has been shut down, the Persian Gulf oil crisis, the proposed imposition of the goods and services tax (GST) and an outflow from Canada to foreign cash are touted as reasons to keep the squeeze on.

Crow has made clear that he will not be amused if workers seek to recoup losses to their real incomes arising from higher oil prices and a larger government tax take with the GST.

In his words, he will "encourage people to take economic decisions on the basis that inflation will decline over time, and not the reverse." More bluntly,

Vic Parsons
Ottawa Bureau
Thomson News Service



that means don't try to make up losses now, because Crow will come down on you like a ton of bricks and interest rates won't moderate.

The other factor that could keep rates high has little to do with Canadian behavior. Foreign investors, notably Germans and Japanese, are less attracted to Canadian bonds as interest rates rise at home. If Canada is to compete for that money, it'll have to offer incentives through higher interest rates.

This constructs a pretty dismal interest-rate scenario, one alluded to this week by Judith Maxwell, chairman of the Economic Council of Canada. She pointed out Canadians face "an unprecedented period of monetary restraint, with real interest rates much higher than the celebrated credit crunch of 1981."

RATES HIGHER

It's unnerving, indeed, that real rates - the short-term borrowing rates you'd pay at the bank, less inflation - are higher now than at the outset of the worst recession since the Second World War. Maxwell said high interest rates are putting a serious strain on economic recovery.

Maxwell, however, harshly questions the role of governments in pushing up the inflation that Crow so adamantly wants to crush.

"Since 1989, the biggest contributors to inflation have been governments," she told treasury managers this week. Governments decide prices on things like public transport, utilities, excise taxes on alcohol and vehicle registration fees. Prices not touched by government have moderated since late 1988.

Workers see prices rise because of higher retail and gasoline taxes, for example, and ask for more pay because they believe they aren't getting their fare share. This doesn't make life easier for Crow, she says.

To carry this a step further than Maxwell, that perception will likely grow when the GST (if approved) goes into effect on Jan. 1.

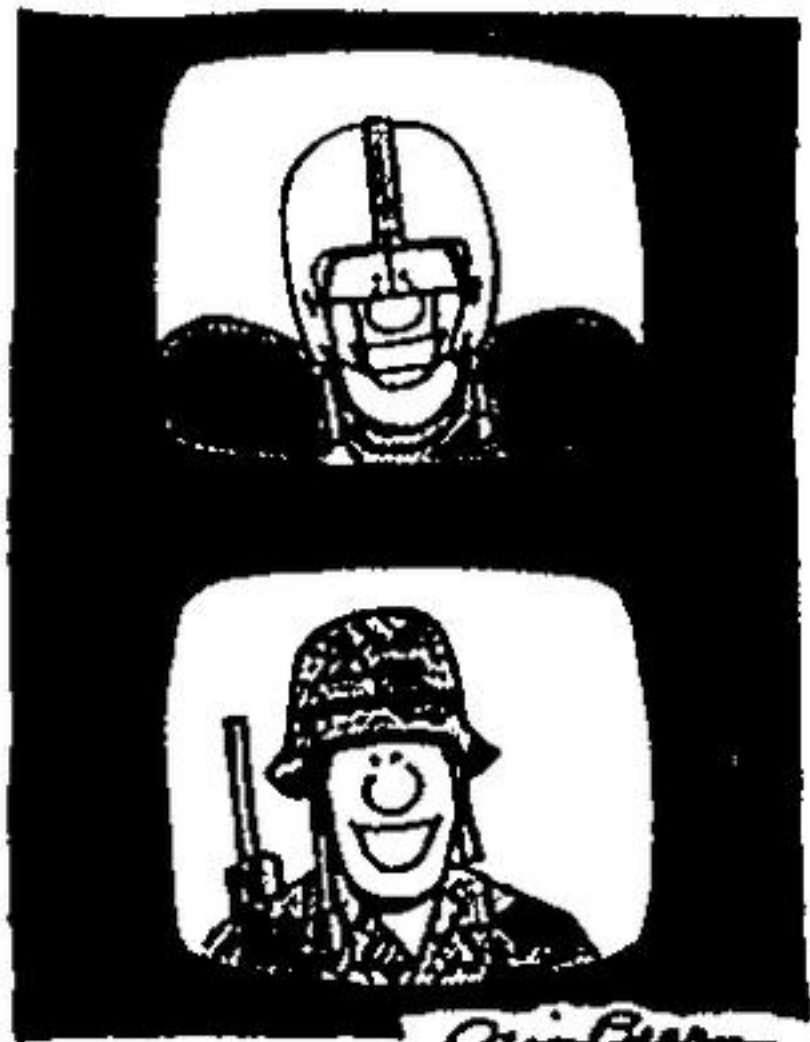
Interestingly, Crow seems to dispute Maxwell's argument. "To be sure," he said last month,

"indirect taxes increased, for example, but these are a small part of the overall inflation in prices that has occurred."

There appears to be a significant gap between the views of these two advisers to Finance Minister Michael Wilson. And there's little doubt that now, Crow has more clout.

You can count on painful interest rates for a while yet.

Berry's World



"HI MOM!"