

Editorial

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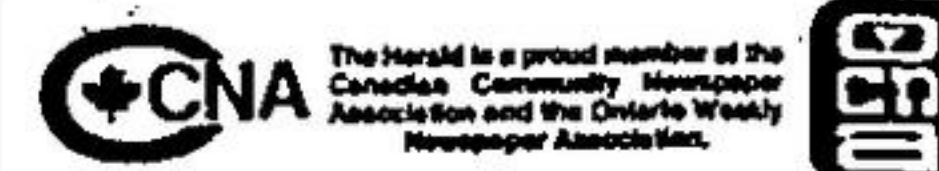
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Who is to blame?

by DIANNE MALEY
Business Analyst Thomson News Service

A new sort of optimist is emerging from the economic gloom that surrounds us: the recession-denier.

Now, people who deny what is happening, or what has happened, have a curious turn of mind. One suspects their motives, if not their mental stability. Well, it turns out recession-deniers have an ulterior motive. Usually, they are business people who have something to sell. Or they are politicians who want to be returned to office next election. Lately, though, some ordinary, sensible people have been joining their camp.

This is what they say. They say recession is a self-fulfilling prophecy. They say if we believe we are in recession, we will not spend. Since consumer spending comprises about two-thirds of the North American economy, we will precipitate the recession we dread. On the surface, this sounds true, even obvious.

Yet this line of argument is not as sound as it seems. One could say the same of many other things - the stock market, the bond market, the real estate market, any place where things are bought and sold. In doing so, one would be saying nothing, really.

Let me explain. Look at the stock market, for example. True, when most people decide to abandon it, it drops. The herd mentality makes the situation worse, but it does not cause it. Indeed, markets tend to crack just at the point when most people believe they have nowhere to go but up. To say doomsayers caused the drop is like explaining it by saying there were more sellers than buyers: not very informative.

Usually, markets crack because they have become overheated; that is, prices have risen too high and the bubble bursts. Economies, too, can become overheated. The economy is like a big marketplace, subject to the same boom and bust cycles.

Optimists do not like this point of view. It smacks of determinism, which makes them feel helpless. Entrepreneurs do not like to feel helpless.

If we did not cause the recession, who did?

"What recession?" the deniers quip. "This is a readjustment. Those who went broke deserved it. They did not know how to manage their business," they argue. "Shake out the deadbeats and things will get back to normal - if only people would stop talking about the recession."

What about the people who have been laid off? one might ask. Did they deserve it as well? "Of course not," the deniers say impatiently. "But their workplaces were overstaffed. Again, these guys did not know how to manage their business."

Perhaps the deniers are on to something here. Perhaps recession is not inevitable. Perhaps it is caused by the failure of corporate executives to properly manage their business and of politicians to police them. Be that as it may, we are still in recession. Two quarters of a year of shrinking output and more to come.

Must we sit here helplessly? The decision is not ours. We must do what we can to protect ourselves and our families. We are not fools. As long as the future looks bleak, we are not going to go out and spend, spend, spend.

Let the recession-deniers spend the first dollar. Let companies dip into their retained earnings if they have to keep workers working. Let the politicians persuade us that times are not tough. Then we can look at each other and say: "Perhaps we are not in recession, after all. Perhaps we should buy a car or a house." In the meantime, let's remember that we did not cause the recession and we cannot make it go away.

Points worth pondering

Dear Mr. Editor:

The heartrending story of the old couple stranded in the Royal Ascot raises a few points worth pondering.

1. Every high rise building is a potential trap. During a power-failure, a fire, an equipment malfunction, an act of vandalism or terrorism, every floor above the fourth floor becomes a possible disaster area. In a low rise building these events can be dealt with through self-help. In a high rise building the inhabitant becomes a victim. Maybe everybody but a sky diver should think twice before moving into one of them.

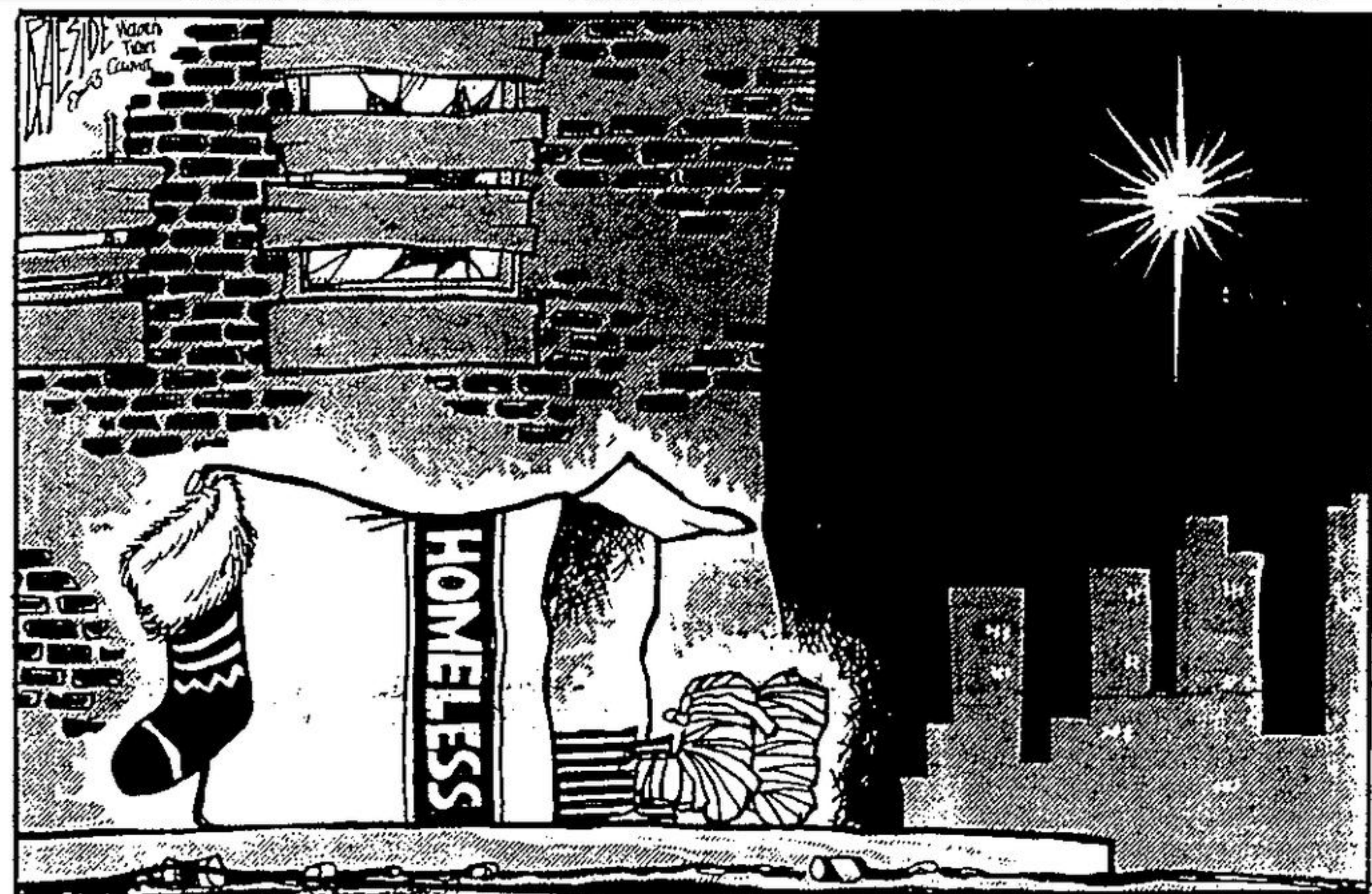
2. When a high rise project gets

the go-ahead, has the developer been investigated as to his financial ability to complete the project? It seems to me the Royal Ascot was in trouble almost from the start. Could the present difficulties have been avoided? It will not do for a government to simply blame a higher-up government for a nightmare like that.

3. That a business tries to protect its interests by discontinuing unpaid services, is something we should be prepared for. Businesses are not charitable enterprises, as we all know, nor should they be.

Sincerely,

John Sommer



Duignan responds to editorial

Dear Editor:

I am writing this letter in response to your editorial of December 12th, 1990 re: "Nightmare situation." You are correct in calling it a "Nightmare" but the problems for the residents of the Royal Ascot Condominium began back at the beginning of 1990.

In early October, I first attended a residents' committee meeting with Mayor Russ Miller and Councillor Marilyn Serjeanston. The committee brought me up to date with the details of their long ordeal. I was shocked by their plight. On February 6th, 1990, they had written a letter to Hugh Hagen, President of Canterra, detailing a list of 12 grievances including complaints about the elevator service, or more correctly, the lack of service. The other grievances dealt with such things as noisy and inadequate heaters; lack of hot water; incomplete parking facilities; payment of maintenance fees for services not received; and complaints about the "Phantom Mortgage." Russ Miller, Ron Shettell; Director of the Town's Building Department, Garth Turner; M.P., and the Ontario New Home Warranty Program received copies of the complaints and also of the replies from Hugh Hagen. Another meeting was held June 21st, 1990, in the Georgetown Police Station. In attendance were Russ Miller, Councillors Marilyn Serjeanston, Al Cook and Joe Hewitt, Ron Shettell, Building Department Directors; Howard Borlack, Canterra lawyer; Sam Diamond, V.P. of Canterra; and 37 owners in the Royal Ascot Club. Twenty complaints were tabled at this meeting including the fact that only one elevator was working.

Another meeting was held on August 28th, 1990, with Russ Miller, Gerry Cummings (Town Staff), Walt Elliot, and residents of the condo.

Since October my constituency assistant, Bill Chard, has attended various meetings with those involved, including the meeting of November 13th, 1990 at the Halton Hills Civic Centre where Jocelyn Delaney of Prenor Trust and Sam Diamond of Canterra fielded questions from Bill, Russ Miller, Marilyn Serjeanston, Ron Shettell and Dan Costea (Town Administrator). It had snowed the previous day, and voicing the concerns of the residents, Bill asked why the present building superintendent did not even have a shovel to clear the snow in front.

Your editorial did not mention this disgraceful long term situation; it was the horrendous loss of the only elevator which culminated in Russ's comments and your editorial. Let me say firstly that I and my assistants were as frustrated as anyone except, of course, the residents of the Royal Ascot who are in a perilous and very frightening position. It has been exasperating for myself and my assistant trying to get this situation rectified, but contrary to what Russ said, I did phone him Monday the 11th and Tuesday the 12th leaving messages at his office or with the answering service concerning a meeting on Wednesday with the Minister of Consumers and Commercial Affairs.

Russ states that he and the councillors don't have the authority to immediately resolve the crisis, but they could have passed a town by-law (in keeping with other municipalities) concerning mandatory operation of elevators.

Passing the buck has gone on far too long concerning the Royal Ascot condo. Some homeowners on Hall Road are also extremely upset with the way the site has been developed. I have done, and will continue to do, my utmost to resolve the Royal Ascot situation

for the couple in their eighties, for all the residents of the Royal Ascot, and for the affected homeowners on Hall Road.

I am not "being forced to take shelter in the shadow of Mr. Rae;" I was in the forefront when I wrote to Ruth Grier demanding a complete environmental assessment on the Hungry Hollow Wetlands, much to the dismay of certain individuals in the community.

In regards to my absence from certain functions, let me make myself very clear, my attendance at Queen's Park is required Monday morning till Thursday evening when the House is in Session. Friday, Saturday and Sunday I am in riding and I attend as many functions as I possibly can, as numerous constituents can attest to. In the event I am unable to attend a function, one of my assistants usually goes to the event as my representative. The articles I write will continue to inform my constituents of the proposed legislative changes as they are debated and made law.

The editorial states in closing that we may "win some battles yet lose the war." This is very true. There are indeed some battles coming up in the municipal elections next year that will certainly be interesting. The people of Halton North and in particular the people of Georgetown are saddened to see developments like Lilac Way, Stewarttown, Georgetown South and the Royal Ascot. Those who have purchased homes in these problem areas are angry and frightened. These are precisely the kind of developments which are unacceptable, unwanted and intolerable to the people of Halton North.

Yours sincerely,
Noel Duignan, MPP
Halton North
New Democratic Party.