

20+ TORONTO DAILY STAR, Thurs., Oct. 8, 1970

## Your Money

By Ray Maglady  
Do you have an investment problem?  
Want to make your money grow?  
Write Your Money at  
The Star, 80 King Street West.

### Oshawa Wholesale should show gain in profit for year

☆ I have been a shareholder of Oshawa Wholesale for a number of years and its growth and management have always impressed me as being excellent. Recently however, they seem to have run into severe competition in both their discount Food City and Towers Department Stores. Would you please comment, including the contribution that may come from the company's new Systems Construction division?

—J. G., Agincourt.

★ There has been a slackening of consumer buying and this is bound to affect an organization such as Oshawa. Profit margins have been trimmed recently and the competitive squeeze is on.

Even so, the sales and profit pattern holds up fairly well, and there would be a 10 per cent gain in per share net profit this year to around \$1.15 or \$1.20 a share.

Food City business seems to have picked up over the last few months.

Oshawa has diversified into real estate, consumer fields related to food retailing, and is backing Systems Construction (66 per cent interest) which builds pre-cast units that fit into new buildings. The latter would seem to have a considerable potential (how much, in dollar terms, is difficult to know) but the idea is a long way from massive acceptance.

The construction trades are powerful and you will appreciate that a plasterer is less than happy to see whole room-units, made in a factory, hoisted up and rammed into a skeleton building that some day will be a Holiday Inn or whatever.

Oshawa's A shares were, presumably, up to \$45 during the time you have been holding them. In future, when a food stock trades up to a price that is over 40 times its per share earnings, you might think about selling at least part of your holding once the uptrend seems to have run its course. It would be something to aim for, anyway.

#### Use assets to generate income

☆ My wife and I want to retire in 10 years when the children are married and away. We have some savings. Should I continue to own the home we have, buy another one for the two of us or rent an apartment? I am 51. Also, in what would it be best to invest our savings prior to retirement?

A.W.T., Toronto.

★ As a general guideline, one might lean toward disposing of property, and renting—using all your assets to generate retirement income, and avoiding the concern that goes with ownership of anything. Of course, there are exceptions. It would be silly to try to get a gardener to give up his vegetable patch (and he'd be right—money shouldn't be allowed to dominate one's life).

In the meantime, you might confine yourself to a safe course, going for compound interest (where your interest stays in to generate more interest). Some of your money could go into Canada savings bonds, for instance—\$1,000 left in the new series, without any drawing of interest, will return you \$1,272 in interest in 11 years. This won't give a capital gain or protect you from inflation but these are disadvantages you must accept when retirement is in the offing.

#### Houston Oil making comeback

☆ I have had Houston Oil for some time, bought at \$3.38 a share. It has been as low as \$1. Do you estimate it will come up again?

—R. G. Crawford, Clarkson.

★ It already has "come up again," since it's trading at \$2.85. Undoubtedly, you've noticed that the oil and gas stocks are providing a big speculative drive in the current market. Although prices may backtrack at some point, the way ahead looks interesting enough for these issues.

## Independently-owned stores most profitable, says IGA

MONTREAL (DJ)—Oshawa Wholesale Ltd. is extending to its Quebec subsidiary Shop and Save Ltd., a policy of making IGA stores available for purchase by qualified independent dealers. Ray Wolfe, Oshawa Wholesale president, told financial analysts.

The policy has been "highly successful" in Ontario, he said.

Wolfe said that while chain stores in Ontario enjoy 65 per cent of the retail food business, independent

stores have 65 per cent of the market in Quebec and it is the independents which represent "the best opportunity in Canada" for IGA development.

Oshawa Wholesale and subsidiaries supply franchised IGA—Independent Grocers Alliance—stores and operate food stores, discount department stores and drug stores.

"As of last week 20 units—in Quebec—have been sold and five more are beginning negotiated," Wolfe said.

### ONTARIO SHOULD KEEP CAPITAL AT HOME: LEWIS

The Ontario Securities Commission should stop allowing companies to raise investment money in Ontario for use in other countries, Stephen Lewis, Ontario NDP leader, said in an interview yesterday.

Canadian investment capital is scarce, and the need to have more Canadian-owned industry is great, he said.

The securities commission should insist that money raised by debentures in Ontario stays in Canada, Lewis said.

Bert Lawrence, minister of financial and commercial affairs, told Lewis in the Legislature yesterday that the commission is not concerned with national economic policy.

Lewis had asked Lawrence about a \$75 million debenture issued in Ontario by International Nickel Company Ltd., last week. He said the company prospectus hints the funds might go to Guatemala or New Caledonia.

He questioned Inco's right to raise money here for use outside the country when the company had a profit of \$182 million in the first six months of the year.



—Star photo by Don Dutton

WALTER GORDON, finance minister under former prime minister Lester Pearson, discusses his views on Canadian nationalism with students at Neil McNeil High School. Gordon spent an hour

with 100 students outlining the aims of the newly formed Committee for an Independent Canada, of which he is the honorary chairman. He told them they can change the course of Canadian history.

## Students hear Independent Canada plan

Walter Gordon told 100 enthusiastic students at Neil McNeil High School in Scarborough yesterday that they have the power to ensure Canadian independence by supporting the newly formed Committee for an Independent Canada.

"In doing so you will be able to change the course of Canada's history," said Gordon, former federal minister of finance and long-time champion of Canadian nationalism. "You could help ensure that 100 years from now Canada is still a

free and independent nation."

Gordon is honorary chairman of the committee, formed last month, to tell federal and provincial politicians that a majority of Canadians are concerned about the U.S. threat to Canada's future.

The group, which plans to launch a nation-wide recruiting drive, is headed by Toronto book publisher Jack McClelland and Claude Ryan, editor-publisher of Le Devoir, Quebec's most influential newspaper.

Eventually, the committee hopes to present Prime Min-

ister Pierre Trudeau with a petition signed by at least 100,000 Canadians, supporting the committee's objectives.

Gordon spent an hour with the students outlining the committee's aims and objectives and answering their questions on foreign investment in Canada.

He said "absentee owners control more of our resources and business enterprises than any other developed country in the world."

He said he feels that "at long last" more and more Canadians are beginning to realize that if they don't do

something about controlling Canada's economy the country will have to join up with the U.S. politically.

The committee, he said, is a citizen movement and non-partisan, and "if we succeed we will be in a position to pressure the government to bring in a policy on foreign investment that has some teeth to it."

During a question and answer period, Gordon said the committee doesn't recommend that the country embark on a major operation of buying back every industry.

However, he said his personal view is that he would like to see a policy by which Canada gradually acquires a controlling interest in all the major industries in Canada over a five to 10 year period.

Smaller companies would be excluded and exceptions could be made in certain cases, he said.

Gordon said he opposes Professor Mel Watkins proposal of nationalizing all key industries because "I don't want to see the bureaucracy increased many times over. It's not the way to run things effectively."

Although he admitted that a degree of public ownership has worked out well for Canada he said a compromise—or a mixed enterprise so-

## Chemical industry outlines anti-pollution guidelines

OTTAWA (CP)—Chemical producers, worried that they will be made scapegoats of anti-pollution agitation, Wednesday announced plans for self-regulation.

Members of the Canadian Chemical Producers Association, who make about 90 per cent of the country's chemicals, will undertake a plant-by-plant audit of effluents.

"In this way, we hope that by co-operation and, if it develops, through government assistance . . . to work to improve environmental controls," B. F. Macdonald, association president, told a news conference.

He said results of the audit will not be made public—"I don't think they would be understandable to the average man"—but will be

available to anti-pollution regulatory authorities.

The aim is to meet air and water quality standards adopted by Ontario, the only province with uniform, province-wide guides.

Dr. N. E. Cooke, engineer with Canadian Industries Ltd., said each plant will collect its own samples, have been analyzed by independent laboratories and compare the results with the Ontario standard or any standard that may apply for their particular area outside Ontario.

The method, similar to what now is in force for CIL and for DuPont of Canada Ltd. plants, has been written into a digest and distributed to all association members.

"The aim is to get no pollution," said Dr. Cooke. "If you cause pollution, the regulatory authorities are going to catch you sooner or later and the object is to get all the pollution cleaned up before they catch you."

He said it is only a matter of time before Quebec and

other provinces follow Ontario in adopting standards.

E. H. Bleckwell, DuPont's president and association chairman, said the industry "is a lot more conscious today of the whole problem of environmental damage and that they have to do a lot more than in the past."

Bleckwell praised Pollution Probe as "sensible and mature" and said "they are after the facts and want to bring them out in the open and we're all for that."

## Bourassa on Wall St. wooing U.S. investors

NEW YORK (CP)—Premier Robert Bourassa of Quebec wasted no time upon his arrival in New York in trying to convince U.S. investors to put some of their money into his province.

Within a couple of hours after his arrival by plane late yesterday, Bourassa was busy meeting a group of 25 banking executives, and later in the evening he met with about two dozen financiers.

It was Bourassa's first official visit to the U.S. since he led his Liberal party to victory in the province's general election last April.

The premier was scheduled to visit New York's city hall today, address a meeting of the Canadian Maple Leaf Club and continue his round of private discussions with business and financial leaders.

His current plans are to remain in New York until Saturday. He then will fly to Boston for a series of meetings, including one with Senator Edward Kennedy of Massachusetts.

But his plane is on standby, ready to fly here from Quebec city should it become necessary for Bourassa to return because of developments in the kidnapping of James Richard Cross, Britain's trade com-

missioner in Montreal, or the dispute between the provincial government and Quebec medical specialists.

Bourassa's major undertaking during the current visit is to encourage Americans to increase investments in Quebec, especially in the proposed James Bay hydroelectric development.

He is seeking \$2,000 million for the project that would ensure adequate supplies of electricity for Quebec, with a surplus being left available to help feed the power-short Eastern U.S.

The proposed project would produce more electricity than the Manicouagan development in Quebec and the Churchill Falls development in central Labrador.



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### Dateline business

## U.S. tobacco giant will sell brands in Canada soon

WINSTON-SALEM, N.C. R. J. Reynolds Tobacco Co. says its Winston and Salem cigarettes made of Canadian blends of tobacco will soon be manufactured and sold in Canada under terms of a licensing agreement with Macdonald Tobacco Inc. of Montreal.

Macdonald will manufacture the king size filter cigarettes in Montreal and start distribution in selected market areas by mid-October.

U.S.-made Winston and Salem cigarettes along with other Reynolds' products will continue to be imported.

### IOS pulls in horns

GENEVA Pending compliance with West German regulations Investors Overseas Services Ltd. says it is ending new sales of all its mutual funds in West Germany with the exception of investors fund, a national West German mutual fund.

### Crush control changes hands

The McConnell family of Montreal has purchased 831,000 shares of Crush International Ltd.—about 20 per cent of the outstanding stock—from Toronto businessman Grant Horsey. Price wasn't disclosed.

Horsey's interest was held through a private holding company, Wilgran Corp., and is the largest single block of stock outstanding. At current market prices the block is worth about \$11,200,000.

### Vancouver trading down

VANCOUVER The Vancouver Stock Exchange announced Wednesday that the volume of shares traded in the first nine months this year was down 43 per cent and the dollar value of trading was off almost two-thirds from the same period in 1969.

The share volume dropped to 351,957,794 for the first nine months of 1970 from a total of 601,966,439 for the same period last year.

Trading value dropped to \$338,663,601 from \$942,391,679.

## Bargaining talks to resume at GM

DETROIT (UPI)—The United Auto Workers and General Motors have agreed to discuss national issues Friday for the first time since talks broke off and the UAW struck the auto maker 24 days ago.

Since General Motors plants halted operations in the U.S. and Canada at midnight, Sept. 14, bargain-ers have emphasized issues at 155 local bargaining units that must be solved, as well as the national issues, before production can resume.

By Wednesday, only 19 local agreements have been reached, but UAW president Leonard Woodcock said that was "enough progress" to reopen the national issue talks.

Chief GM negotiator Earl Bramblett agreed to the UAW proposal and said, "we're agreeable to negotiating at any time. We hope progress can be made on both the national and local levels now."

### Volvo sales on the rise

Volvo (Canada) Ltd. says retail sales in September were 788 units compared with 566 a year earlier. For the first nine months, sales were 5,224 compared with 5,013 in the same 1969 period.

Production for the first nine months was 6,067 up from 4,033 a year ago.



DR. GERALD G. DAVIS

Mr. James W. Fowler, President of The Glidden Company is pleased to announce the appointment of Dr. Gerald G. Davis as Technical Director. In this position, Dr. Davis's area of responsibility is the co-ordination of all technical aspects of Glidden's Canadian operation. Dr. Davis is a graduate of Queen's University in Kingston, Ontario and received his doctorate in Chemistry from Oxford University in England. Prior to joining Glidden's in 1966, Dr. Davis was an Assistant Professor of Chemistry at Queen's University.

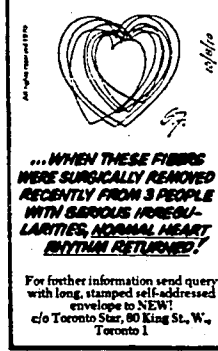


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