

National

MEECH LAKE COMPROMISE

Mulroney's decision wins friends and foes

by ROBERT RUSSO
OTTAWA (CP) — Prime Minister Brian Mulroney won rare praise from a constitutional foe Thursday, but his decision to consider New Brunswick's plan to clear the Meech Lake impasse may have irritated Quebec.

Premier Clyde Wells, who introduced a motion to rescind Newfoundland's support of Meech Lake, praised Mulroney's decision to hold public hearings on New Brunswick's plan for a companion agreement.

"I think it's the first step towards flexibility and I welcome it.

But Quebec Premier Robert Bourassa, who has worked closely with Mulroney to promote Meech Lake for three years, was less enthusiastic.

"I think we should wait to see the outcome of those public hearings," a dour Bourassa said during a television interview.

The accord is designed to win Quebec's support for the 1981 constitutional agreement. It designates Quebec as a distinct society and gives all provinces more powers in such areas as judicial and Senate appointments.

During a nationally televised

speech, Mulroney said he would introduce New Brunswick Premier Frank McKenna's proposal for a companion accord to Meech Lake in the House of Commons and submit the proposal to a parliamentary committee.

Bourassa was clearly annoyed by the prospect that Meech Lake's future could hinge on proposals from the three provinces who have not ratified Meech Lake.

"I cannot concentrate all my time (on) studying proposals," McKenna, whose idea for a package of amendments to Meech Lake breathed new life into what

appeared to be dead constitutional discussions, was also buoyed by Mulroney's decision.

"Public participation will be required before any changes are made," said McKenna. "I think that in itself is a fantastic step forward."

While Wells supported the idea of a public discussion of McKenna's companion accord, he served notice he still rejects Meech Lake as is and he said he wants Mulroney and Bourassa to show more flexibility.

"All we've gotten from them is 'No. Meech Lake as is.'"

Wells also played down the possibility that a so-called sunset clause might be a way to break the constitutional logjam. Such a clause would allow Meech Lake to be passed and expire after two or three years if changes weren't made.

"Frankly, I think it's a very difficult and cumbersome thing and I don't know if others would agree with it or not."

The premiers of Ontario, Nova Scotia and Prince Edward Island also voiced approval for Mulroney's decision to invite Canadi-

ans to participate in the discussion via the parliamentary committee.

But two Western premiers, Alberta's Don Getty and British Columbia's Bill Vander Zalm, said Mulroney did not go far enough when it came to Senate reform.

"That's just not acceptable to me as a premier of British Columbia and as a westerner," said Vander Zalm.

I don't want to in any way detract from the initiative. But in my initial assessment, it in itself is positive but it will need more in the way of Senate reform."

Vancouver homes least affordable

OTTAWA (CP) — Middle-income families in Toronto and Vancouver had to spend more than 60 per cent of their income last year on mortgages and other costs for an average bungalow, Royal Bank of Canada economists say.

And Vancouver vaulted ahead of Toronto as the country's least affordable metropolitan area for first-time homebuyers in the final quarter of 1989, the bank said Thursday in a national survey on housing affordability.

"This marks the first time since 1986 that Toronto has been unseated from the top spot," said Michele Borque, a spokesman for the bank, Canada's largest mortgage lender.

During the fourth quarter, average house prices in the Vancouver area reached \$212,000 while Toronto's average price declined to \$256,000 from a first-quarter peak of \$264,000.

This produced a jump in the Royal's affordability index for metropolitan Vancouver to 67 per cent in the fourth quarter compared to the Toronto region's 64 per cent.

The index measures the percentage of median pre-tax household income needed to service the cost

of mortgage payments, property taxes and utilities on a detached bungalow. The calculations are based on a 25 per cent down payment and a 25-year mortgage at a five-year fixed rate.

A sudden surge in Vancouver prices and a slight drop in Toronto prices late last year accounted for the change, Borque explained.

The index for the Atlantic provinces averaged 40 per cent last year and improved during the last three quarters because of stable house prices and a slight decline in mortgage interest rates.

The average price for a bungalow rose to \$101,000 at the start of 1989 but stayed flat the rest of the year.

The Quebec index remained stable at 45 per cent as the average price was \$111,000. Montreal, with an index of 48 per cent, is the most affordable of the country's three largest cities.

In Manitoba, the index improved to 42 per cent from 44 per cent in 1988 as prices dropped by three per cent to an average of \$101,500.

Last year's average house prices in Saskatchewan remained stable at \$88,000 and the index remained one of the lowest in the country at 39 per cent.

The average house price in Alberta reached \$113,000 by the fourth quarter of 1989 but the province still enjoys the country's lowest index.

The average British Columbia price accelerated by as much as 30 per cent last year, hitting \$180,000 in the final quarter and bringing the index to 58 per cent.

Gold price

TORONTO (CP) — Gold was quoted at \$460 bid Cdn (\$391 US) and \$461 asked Cdn (\$392 US) in mid-morning trading today by Deak International, a major gold and foreign exchange dealer.

MARKETING BOARDS BLAMED

Lower farm prices urged

by ALEX BINKLEY
OTTAWA (CP) — Food processors planning to build new plants are likely to move to the United States if they can't get lower-priced farm products in Canada, a lobby group told the Commons agriculture committee Thursday.

In a brief to the committee, the Grocery Products Manufacturers of Canada said the cost of dairy, poultry and vegetables produced under marketing boards in Canada could force companies to head south of the border.

"These companies are anticipating major long-term decisions in the next 90 to 120 days that could affect thousands of jobs and several hundreds of millions of dollars in capital investment in Canada," the association said.

"The opportunities available to Canadians to supply the lucrative

U.S. market are astounding. But only if we get our cost structures and quality in line with the U.S."

The association said Canadian food processors pay an average of 10 to 15 per cent more for poultry, milk and vegetables than their U.S. counterparts do.

In the United States, such farm products are not controlled by marketing boards, which set prices and control production.

The association said the difference in prices between the two countries is "significant when you consider that these regulated commodities account for about two-thirds of all ingredient costs and these ingredient costs make up approximately 50 per cent of the finished product cost."

The government should order marketing boards to "adopt the goal of working toward competi-

tiveness in each link of the food chain," said the brief. It added that representatives of consumers, processors and retailers should be appointed to the boards of the farm marketing agencies.

The association said Canadian farmers, who face higher costs than their U.S. counterparts, are not solely responsible for the price differences. But it said all parts of the food industry should work toward lower prices.

ANNOUNCEMENT



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Leonard R. Zirnhelt, Managing Partner, is pleased to announce that Carl C. Wikjord, Trustee in Bankruptcy, has joined us as Senior Manager. Carl Wikjord has been active in the Insolvency field for several years in the Prince George area and the Northwest section of the province.

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RCMP REJECTS BRAIDS

SASKATOON (CP) — Native Indian RCMP officers will not be allowed to wear braids unless they can prove it's a religious requirement, an RCMP spokesman said Thursday.

Exceptions to the force's dress code are granted only for religious reasons, Sgt. Pierre Belanger said in an interview from Ottawa.

An individual of any faith may apply to the RCMP commissioner for a variance to the uniform, but the onus is on the member to prove it's a religious requirement, Belanger said.

"If it was determined to be a religious requirement, it would be allowed. But if it was only a tradition, it would be no," he said.

No aboriginal member of the force has sought permission to wear braids, he said.

Solicitor General Pierre Cadieux announced last week that Sikh Mounties will be able to wear the turban required by their religion if they have permission from the RCMP commissioner.

Some Indian leaders have called for the exemption to extend to braids for native officers. In Calgary, a native city policeman has asked his superiors for permission to wear braids.

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