

# Tough times lie ahead for federal politicians

The International Monetary Fund may have succeeded in doing what Finance Minister Michael Wilson and all the economists in Canada have not: scaring us into acquiescing to big government spending cuts.

In a confidential report the IMF prepares each year for member countries, the international agency says Mr. Wilson must cut the federal budget deficit by a staggering \$9 billion this year. Mr. Wilson's budget is due next month.

The deficit is running at roughly \$30 billion a year, so \$9 billion would be a cut too painful to contemplate. But if Ottawa does not get its house in order, the Canadian



**Your Business**  
Diane Maley  
Thomson News Service

dollar will tumble on world currency markets and interest rates will soar, making the deficit even larger in future, the IMF says.

"There's a message behind the IMF report," says Carl Beigie, economics professor at the University of Toronto and chief economist

for investment dealer McLean McCarthy Ltd. in Toronto.

"The message is to the Canadian public, who have been sleepwalking to an even greater extent than the US public, and to Michael Wilson, who keeps saying that everything is on course. It's not on course," Mr. Beigie says. "The IMF is saying, you haven't done enough; you have to take really dramatic moves right now."

### BOLD MOVE

"This is a relatively bold statement for the IMF," Mr. Beigie notes, although economists have been urging the federal government to cut spending for some

time. While he agrees with the thrust of the report, Mr. Beigie does not agree that Mr. Wilson must cut \$9 billion now.

The IMF is overstating its position, he says. "I'd give them a B minus."

Even so, Mr. Wilson likely will use the IMF report as ammunition when he begins preparing his budget. In the past, the finance minister has faced opposition to spending cuts from his colleagues and Prime Minister Brian Mulroney, who fear the wrath of the Canadian people.

Mr. Wilson's budget forecasts are optimistic, the international economic watchdog says. Canada's deficit will persist at \$33 billion until 1993-94 rather than dropping to \$22 billion, the finance department's number.

The IMF forecasts that the national debt will climb to \$417 billion (60 per cent of national output) by 1994; Mr. Wilson's numbers project it at 57 per cent of output.

ed the government to raise taxes by broadening the tax base and doing away with tax breaks to resource companies and small businesses.

If the government fails to take its advice, the IMF warns, Canada will end up with a lower exchange rate, "sharply higher interest rates and a large drop in stock market prices." Growth will stall and private investment will dry up.

This grim news must be taken with a grain of salt. Even so, tough times are ahead for people and sectors dependent on government spending - universities, health care, the CBC.

Tough times are ahead for federal politicians, too, as they begin to tighten the fiscal screws. Come budget time, Mr. Mulroney and Mr. Wilson will not be popular men.

# Be your own boss this summer



Many students are now creating their own summer jobs in many different fields through the Student Venture Capital Program. This government program sponsored in part by the Royal Bank of Canada and the Ontario Chamber of Commerce offers interest-free loans of up to \$3,000 to assist students in starting their own business.

The loan can be used as start-up working capital for your own small business. To be eligible applicants must meet the following criteria: must be a full-time student, must be over 15 years old, the business must operate between April 1 and Sept. 30, and the business must be controlled by the student.

How do you get started on being your own boss? Well the first step is to come up with an idea

something that you understand or have some knowledge of. Talk to friends, neighbors, parents, contact the Chamber of Commerce, community colleges and universities and the Ontario Ministry of Industry. This will assist you in coming up with an idea. Make sure it is one that you feel comfortable with and that you like.

You now have the idea. Next step is to investigate if there is a need for your product or service, what competition you will have, and what price you will need to charge to make a profit. Determine your advertising strategy so you can reach your potential market. Last but not least, will you need employees and if so is help available in your area? As an employer you are responsible for payroll deductions such as income

tax, Canada Pension Plan and Unemployment Insurance and you will need to protect your workers with Workers Compensation.

There are many franchised businesses that students operate. Before signing a contract it is advisable to contact a lawyer for his or her opinion.

You are now ready to fill out your application which can be picked up from the Chamber Office. The Chamber will also assist you with the application and will review your business plan. The Chamber makes a recommendation whether the loan should be approved.

This summer, why not be your boss. The experience will last a lifetime. For further information please call the Chamber of Commerce at 877-7119.

### BROAD CUTS URGED

Federal transfer payments to the provinces, agricultural subsidies, unemployment insurance and regional development incentives are a few of the areas targeted by the agency. It also urg-

### OFFICE MAGIC

877-2300

FOR ALL YOUR OFFICE & STATIONERY NEEDS

136C Guelph St., Georgetown

877-0109 • 877-0109 • 877-0109

**Simon Fraser**

CHARTERED ACCOUNTANT

★ ★ ★ ★

Phone:  
(416) 877-0109

132 Main Street South  
Georgetown, Ontario  
L7G 3E6

877-0109 • 877-0109 • 877-0109

The Partners of

### HELSON, KOGON, ASHBEЕ & SCHALJO

Barristers and Solicitors

are pleased to announce that

**R. PAUL MILLMAN**

has joined the firm in the practice of law.

**HELSON, KOGON, ASHBEЕ & SCHALJO**

132 Mill Street  
Georgetown, Ontario  
L7G 2C6  
Telephone: 877-5206  
Toronto: 454-2889

Frederick A. Helson, Q.C.  
Allan W. Kogon  
David J. Ashbee

John E. Schaljo  
Mark T. Rush  
R. Paul Millman

## HALTEL

Communications Inc.

### Phones, Fax & Cellular



#### KX-F120 FAX SYSTEM

- Single Line Operation
- Facsimile Function
- Answering System
- Integrated Telephone
- Copier Function
- Automatic Telephone and Facsimile Switching

265 Guelph Street, Georgetown, Ontario 873-3310

**G.S.S. OFFICE SUPPLIES**  
DIV. OF GORDON'S STORE SECRETARIAL SERVICES LTD.  
348 Guelph Street, Unit 4, Georgetown  
(Delrex Blvd. & Hwy. 7)  
877-2282 846-6947

# HOURS:

**Monday-Friday 9:00 a.m. - 5:30 p.m.**  
**Saturday 9:30 a.m. - 1:00 p.m.**

---

### MAGIC TAPE



DEAL VALUE \$51.12

3M

-FREE twin roll scotch desk dispenser  
-FREE roll of 811 Magic Plus removable transparent tape (18mm x 33m)  
WHEN YOU BUY  
-12 rolls 810 Magic transparent tape (18mm x 33m)

82-99990 (No. 3) \$39.95/doz.

### RING BINDERS



- Stiff suede vinyl cover
- 3 ring
- Spine label holder
- Dual triggers
- Available in Black, Blue, Red or Green
- Size 11" x 8 1/2"

CODE	CAPACITY	SPECIAL
2-666	1"	\$4.75
2-667	1 1/2"	\$5.95
2-668	2"	\$7.35

### REDIMARK MARKERS



• Large size marker features water proof, fast-drying ink

- Packed 10 per pack
- Colours: Black, Red, Blue, Green

CODE	DESCRIPTION	SPECIAL
29-8600	Bullet Tip	\$1.59
29-8700	Chisel Tip	\$1.69

---

# G.S.S. OFFICE SUPPLIES & SECRETARIAL SERVICES

877-2282 348 Guelph St., Unit 4 (Delrex Blvd. & Hwy. 7) Georgetown 846-6947 TORONTO LINE