

Business Page

Financial advice can be expensive - or it can be free

Experts can't predict economic market swings in a global economy



Diane Maley
Your Business
Thomson News Service

Could globalization fizzle? The past decade has brought an unprecedented opening of world economies and financial markets, helped by computer technology. Year by year, we have been edging closer to a global economy.

The change has been a headache for national policymakers and economic analysts. No longer can one predict the future of business and the economy based on a limited number of factors. Suddenly, the doors have been thrown wide open and, for example, events in Japan are affecting mortgage prices in Canada.

Money is sloshing over national borders, wreaking havoc with domestic money supply; interest rates soar and dip as "hot money" - short-term investment capital - roams the globe looking for the highest yield. Billions of dollars jump from one country to another in a matter of seconds, just another flash on a computer screen.

As a result, interest rates bounce around from day to day and hour to hour. Horizons of borrowers and investors alike are growing shorter and shorter as planning becomes more difficult.

The havoc is not limited to the financial world. Plant closings, layoffs in the investment industry and shifting real investment are bringing a new uncertainty to Canada's future. Spurred by this uncertainty, Canada has joined in a free-trade pact with the United States, by far our biggest trading partner.

GOOD MOVE

Despite what people are saying about the free-trade deal, it will prove to be a good move in the long run. In the meantime, the economy remains on shifting sands.

What if it all comes to a halt? The catalyst could be a world-wide economic slowdown and a subsequent drop in world financial markets. Hard times could spark that most dreaded thing, a global trade war.

Already, the United States and Japan are growing increasingly cranky, insulting each other's economy and political system and anything else that presents itself as a topic of debate. Each say the other had better start doing things our way or else.

If it gets much worse, the world could, indeed, break up into a number of big trading blocks; ours would not necessarily be the most thriving. Japan would align with the Pacific Basin and perhaps China. Europe, the number one economic power in the world today, would busy itself integrating Eastern Europe and the Soviet Union.

LOOKING SOUTH

We in North America, meanwhile, would have to start thinking seriously about our role in the economies of Mexico, Central America and South America. They could be our biggest - and perhaps only - new customers.

What have we got that our southernmost neighbors need? Quite a bit, but not as much as the Americans. The challenge for Canada will be to find a niche in these newly developing markets.

What they have that Canadian manufacturers seem to want is cheap labor. Already, several Canadian companies have set up shop south of the Mexican border to make goods for export to the United States and Canada.

If globalization begins to falter, we will be thrown back on ourselves. This will be a blow to the United States, but less so for Canada. The reason is that we are just waking up to the new trend. If it proves to be a flash in the pan, we will be tempted to shrug and go back to sleep again. Our sleep would be fitful.

Like it or not, the world is going boldly where no one has ever gone before. The global economy is in flux and no one seems to have the faintest idea where it will all lead.



IT'S YOUR MONEY Paul J. Rockel

Financial advice can be costly or can be free.

For those who have a great deal of wealth, they can afford to pay a "financial planner" \$100, \$200 or more per hour for his or her services.

Problem is, only the wealthy can afford those services, and yet it is Mr. and Mrs. Average citizen who really could use the advice of a financial "expert."

There are many financial advisers, consultants, "experts" or whatever you wish to call them, who will work "free." Problem is, they are usually connected to an industry, and they are really trying to sell you "their" product.

We've run across financial advisers who charge hundreds of dollars per hour, who didn't even know what a mutual fund "withdrawal plan" is, and how it can give people an almost tax-free income. Whereas there are "free" advisers who know these things, because they are offering them to the public.

Advice is only the opinion of someone who has studied financial planning, and those opinions can vary from person to person.

Here is where dealing with an "independent" adviser is important.

In financial planning, the two most important things to plan are your "living" estate, and your "death" estate. On top of that is the minimizing of taxes, both while alive, and in passing your estate on to your heirs.

Fortunately, there are people well qualified in all of these things, who will do your planning for you "free," in the hope of selling some of their products.

The "independent" adviser who has both "investments" and "life insurance" available from a large variety of companies, is seeking programs through those companies that meet "your" needs. He or she may offer as many as 100 different investment funds, and have available rates and programs

from 20 "different" insurance and trust companies. Therefore, because of his/her independence they can find the product within those fields to meet the client's needs. A consultant who is employed by a specific financial institution is limited by only being able to offer that company's financial products. This may or may not be most suitable for a client's specific needs.

For more information on personal financial planning contact Peter C. Masson, 10 Fagan Drive, Georgetown, Ont., L7G 4P3. Or phone 877-7216.

Paul J. Rockel is the author of the best seller "Why I Invest in Mutual Funds" and President of Regal Capital Planners Ltd.



THE CORPORATION OF THE Town of Halton Hills

1 Halton Hills Drive - P.O. Box 128
HALTON HILLS (Georgetown), Ontario L7G 5G2
873-2600

APPOINTMENTS TO VARIOUS BOARDS AND COMMITTEES

The Corporation of the Town of Halton Hills will be considering appointments to the Boards and Committees outlined below. Applications, together with a short resume will be received until January 5, 1990. If you are interested in applying for membership in more than one Committee, please list those you are interested in apply for in order of priority. Please note that a Committee of Council will be interviewing the Committee applicants and making recommendations to Council.

ACTIVAN ADVISORY COMMITTEE

One (1) member is needed for a three-year period to join three other members of the public and two Councillors on this Committee. The Committee meets up to six (6) times per year and discusses policy for the Town Activan Service. Activan is a public transit service for handicapped residents of the Town.

PROPERTY STANDARDS COMMITTEE

One (1) member is needed to join two other members, for a term ending December 1992. The Committee meets to hear appeals of property owners from Orders to Comply issued by Property Standards Officers. Applicants should be residents of the Town who are not Town employees.

LOCAL ARCHITECTURAL CONSERVATION ADVISORY COMMITTEE

Five (5) members are needed to serve on this Committee for three and two year terms. The Committee advises Council on the designation of buildings of historic and architectural interest under the Ontario Heritage Act.

APPLICATIONS SHOULD STATE:

- The office or offices for which you are applying,
- The name, address and qualifications of the applicant, as well as a telephone number by which you may be reached during business hours.

For more information regarding the Committee, please telephone 873-2600, Ext. 336 and ask for a brochure to be mailed to you. Applicants will be mailed a brochure automatically.

Please apply in writing to:

Stephen Thomson
Administrative Assistant
Town of Halton Hills
P.O. Box 128
Halton Hills (Georgetown) Ontario
L7G 5G2

Ad. No. 1196

OFFICE MAGIC

877-2300

FOR ALL YOUR OFFICE
& STATIONERY NEEDS

136C Guelph St., Georgetown



THE CORPORATION OF THE Town of Halton Hills

1 Halton Hills Drive - P.O. Box 128
HALTON HILLS (Georgetown), Ontario L7G 5G2
873-2600

NOTICE

During the forthcoming Christmas and New Year Holidays, all refuse and recycled materials will be collected on your regular collection day.

SEASON'S GREETINGS Halton Hills Public Works

R.C. Austin, P. Eng.
Town Engineer
Town of Halton Hills
1 Halton Hills Drive
P.O. Box 128
Halton Hills (Georgetown)
L7G 5G2

Ad No. 1196

VITEX

1-(519)-855-4795

SPECIAL!
BEST PERFORMER 8088-10

640 K RAM, 1 Floppy, 40 MB HD
Philips Monitor

\$1075.00

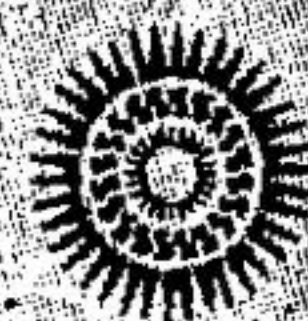
Call Bill Fournier at Vitex

Specializing in affordable PCs
Software and Peripherals for
home and small business use.

BONUS GIFTS

Open a 1st Rate Investment Chequing Account or a 1st Rate 50 Plus Account with \$1,000 or more and receive a free gift.

Microwaves, Royal Doulton, VCRs and more depending on your deposit amount. Full details at the branch.



the municipal savings & loan corporation

Member Canada Deposit Insurance Corporation

GEORGETOWN
28 Main St. South Mon - Thurs 9:00 - 5:30
(at James) Friday 9:00 - 6:00
873-4077 Saturday 9:00 - 1:00
25 branches across Ontario
Over \$1 billion in assets