

Higher interest rates can be bane or boon

By JOHN G. SAYERS, CA

Higher interest rates can be either a bane or a boon. It all depends on where you're coming from.

There's not much doubt that today's high rates are hitting borrowers where it hurts. At the same time, investors - the lenders - are reaping substantial benefits.

So if you happen to have any spare cash, you have the distinct prospect of increased interest income.

Already the rates on Canada Savings Bonds have been increased from 10.5 to 11.5 per cent. Even so, that's still about one per cent below competing rates.

So if you're holding any CSB's, then you just might want to shop around for a better-paying investment.

In many cases, higher interest rates can be a golden opportunity. At 12.5 per cent, for example, a dollar deposited in your Registered Retirement Savings Plan will more than double by the end of six years. In 20 years, it will have increased by

more than 10 times.

If you're already retired there's the probability that you're depending on interest earnings for at least part of your income. So now's the time to review your investments to see whether you can "trade up" on some of them to higher interest situations. For instance, if you have any bonds, term deposits or Guaranteed Investment Certificates maturing, your new investments will most likely carry a higher interest rate. But for how long a term should you renew?

First consider your needs and your objectives. Today's rates are relatively high, so if you're content with the income you'll receive from current rates, you may want to renew for a longer term - say, five years - so that your income levels are guaranteed.

But if you're something of a gambler - and want to bet on still higher rates in the future - you should renew for a shorter period. Remember one thing though, what

goes up can also come down!

One percentage point may not seem like much, but it can mean a lot. On \$5,000 it amounts to \$50 a year, no big sum.

But if you have a \$100,000 retirement nest-egg, then a 1 per cent increase gives you an extra \$1,000 a year.

And that's a very welcome little bonus for your budgeting.

For CA's advice on TV - see Your Wealth, available on broadcast channels in Ontario and on satellite across Canada, or see Money in the Bank, on your community cable channel.

Moneycare is general financial advice by Canada's chartered accountants. John Sayers is President of John Sayers and Associates Limited.

Patch concrete cracks, chips yourself

Don't despair because concrete steps, sidewalks, driveways or patios took a beating this winter. Patch chipped or cracked concrete yourself with a fast-drying adhesive, such as Elmer's Concrete Bonder™, that resists freeze/thaw damage.

Here's how. Remove loose scale and stone, then wet surface thoroughly. Brush, spray or roll undiluted Bonder on area to be patched and allow to become

tacky (20 to 60 minutes).

Mix equal parts Elmer's Concrete Bonder and water and add to ready mix or Portland cement. Add water as needed for proper consistency.

Fill cavity with fortified mix, then smooth surface. Feather edges with brush. Cover patch with plastic to prevent too-fast drying and protect area from traffic for 36-48 hours.

Replacing glass is no easy task

If the neighbourhood baseball league has just left a hole in one of your windows, don't worry. It is not difficult to replace the glass. However, there is more to the job than just inserting a new pane and adding a little putty.

First of all you should remember that the same rules apply no matter what the size of the pane you are

replacing.

A larger pane should probably not be replaced while the window is in place. It should be removed and placed on the ground for safe handling. If the pane is picture window size it is a two-person job.

The first part of the job is to remove the old and broken glass. Wear sturdy work gloves and take

the pieces out one at a time. Take great care while pulling out the broken pieces so you don't get cut.

The next step is to remove the old putty. This can sometimes be a difficult process and some heat may be required to soften the putty for easier removal. The heat source can be a soldering iron or a propane torch but great care should be taken when using either of these tools.

All the old putty must be removed. The glaziers points must also be taken out at this time. When all the putty is removed, give the frame a good soaking with linseed oil which will help to prevent the new putty from drying out.

INSTALLING NEW GLASS

Now that you have the old putty removed and the frame is ready for the glass, take the measurements to your local hardware dealer and have him cut the glass to fit.

It is far easier to have a professional do the job for you than to try and cut glass yourself. Some do-it-yourselfers prefer to salvage larger pieces of broken panes and cut their own but with the low cost of glass it is hardly worth the effort.

Make sure the glass is a fraction smaller than the opening so you don't have to force the glass into the

opening. Before inserting the glass, a bedding layer of putty is placed around the frame then the glass is placed into the bedding layer of putty.

Holding a new pane in position insert a glazier's point in each side to keep it firmly in place. The glazier points can be inserted with very light pressure. Once the pane is held in place, take the remaining glazier points and insert them at regular intervals around the frame. This can best be done with a chisel slid along the glass. This does the job with little chance of breakage. When the glazier points are in place it is time to use the putty.

PUTTY

Get an old piece of glass to use as a kneading board for working the putty in the right shape and consistency. The putty is then rolled into pencil like strips and wedged into the edge of the frame. When you have it in place all around the frame, smooth it out with a putty knife. You will find the putty knife works better if you dip it into linseed oil just before using. Use long corner-to-corner strokes with the putty knife. Do not let the putty get far enough out on the new window so it's visible from the other side.

Problem petunias can be helped

Generally by midsummer, petunias in window boxes or garden beds begin looking rather leggy and forlorn. There are still plenty of flowers, but they are emerging only from the tips of long sticky branches with not great looking foliage. This is not an unusual problem, and there is a very quick fix. But, you must be ruthless!

The Canadian Garden Council urges you to take a pair of sharp pruning shears or secateurs and cut back all of the flower stems to about one-third of their present length, or even less. In other words, give all of your petunia plants a brush cut! Now, this will remove all of the flowers, so you'll have just green foliage for about a week or so. But the action of cutting back the plants will encourage them to bush out again in a much more compact form, with many, many more flowers.

There is one other part to this cutting-back operation that is likewise important. That is fertilization of the plants. Regardless of whether or not you have fertilized your petunia plants recently, when you cut them back as described, give them a good feeding with a soluble plant food applied both to the foliage, and generously to the soil. The action of cutting the plants back, together with additional instantly-available nutrition, and the established root systems of the mature plants will mean you'll have substantial new growth, and many flower buds likely within just ten days, depending on the weather conditions when you do this little chore.

Now remember, you have to be ruthless with this operation, cut

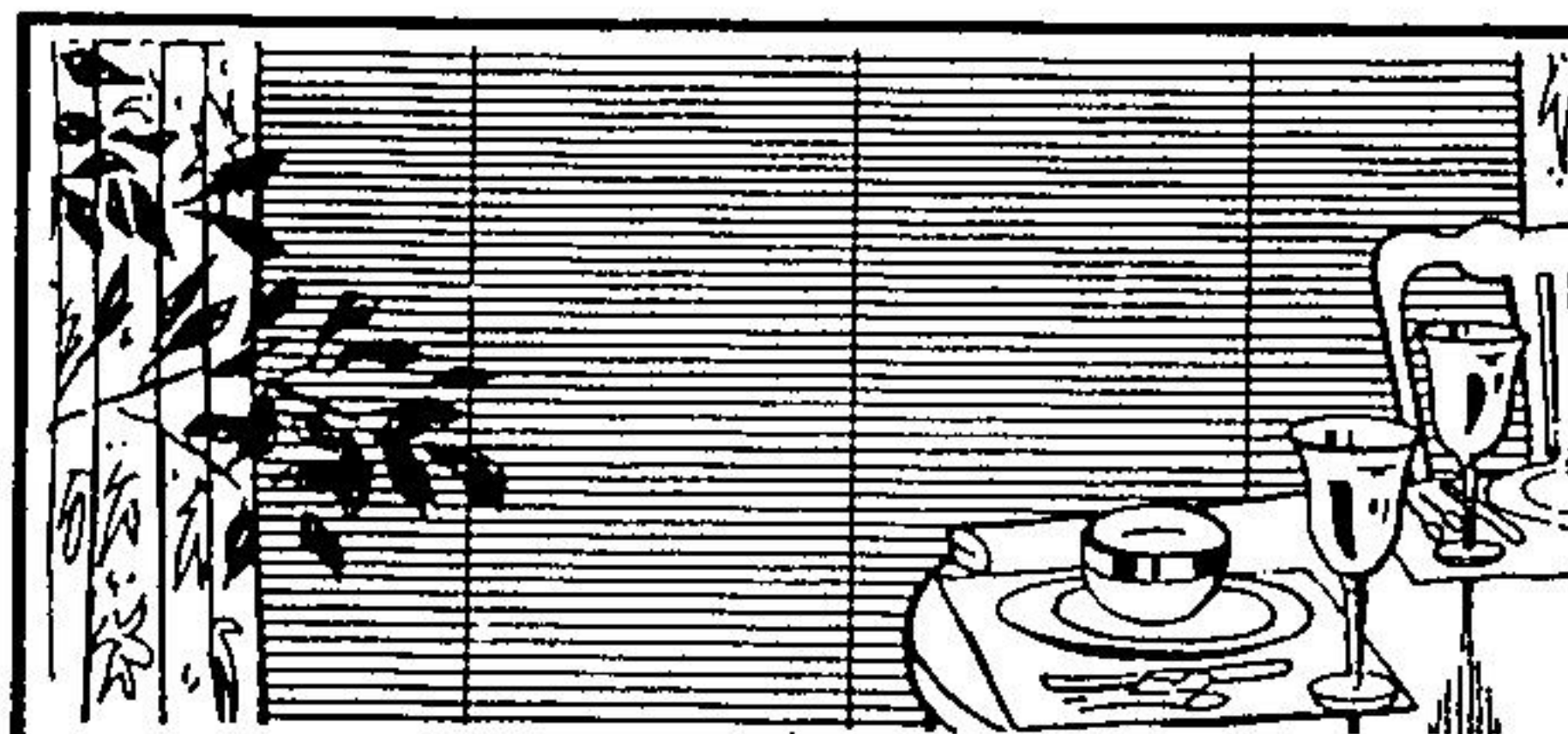
back all your leggy petunia plants to one third or less of their present size, and then fertilize them well. The Canadian Garden Council says you'll be amazed at the results.

Other plants in the garden will also benefit from a trimming back of old flower heads. For example, the Anthony Waterer and Goldflame spirea shrubs, having completed their flowering, may well have a few more flowers this autumn if you cut back the dead flowers as soon as the colour has gone.

The same applies to herbaceous perennials, generally. As the flowers fade, cut them off. Many plants such as delphiniums, astilbe and phlox will often re-bloom later if the old flowers are removed before they have the opportunity to form seed pods.

Applying a soluble fertilizer to plants from which you have removed old flowers is also a good idea. The cutting-back operation itself causes new growth, and if there is additional nutrition available, the new growth will be stronger and faster.

Some groups of plants should not be fertilized after the end of August, or even mid-August in the colder regions of the country, according to the Canadian Garden Council. Evergreens, particularly cedar hedges, and rose bushes are prime examples of such plants. New growth on these plants may not mature (harden) fast enough in the autumn, and thus will be more vulnerable to frost damage in the winter months. Pruning cedar hedges is likewise now best left until next spring in case the pruning should cause new soft growth that might be vulnerable to winter frosts.



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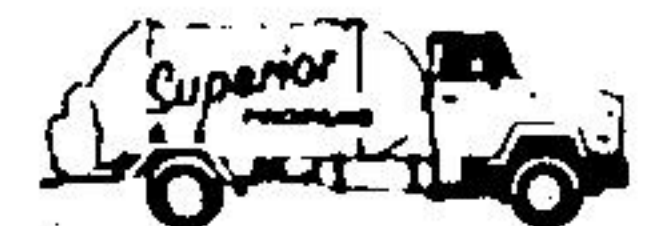
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