

## Preferred shares advice

Cont'd from pg. 1

- **Liquidity.** Many preferred issues are listed on the major stock exchanges, making them easy to buy and sell. Most preferred shares are issued at par values of \$25, putting them well within the reach of individual investors. Older issues trade above or below their par value depending on interest rates and other market conditions.
- **Safety.** Preferred shares rank senior to common shares — that is, preferred shareholders' claims for dividends and corporate assets (in the event the company is liquidated) come before common shareholders' claims. If a company runs

into serious financial problems, the board of directors may vote to reduce or skip the preferred dividend without placing the company in default. But most preferred stock is "cumulative," so missed dividends accumulate and must be paid to preferred shareholders before any dividends are paid to common shareholders. (Keep in mind, though, that preferred stock is junior to all the company's debt. Bond interest payments take priority over preferred dividends and bondholders would get paid off first if the company were dissolved.)

The dividend on some preferred issues can be increased by the

board if the company does especially well and the common stock dividend rises to a certain level. Such issues are called "participating" preferred and usually command a premium price. Most preferreds are "non-participating"; their dividends never change, regardless of how high the common stock dividends rise.

Retractable preferreds have a fixed term which means the investor has the right to sell the shares back to the issuing corporation at a certain price on predetermined dates. The investor is therefore guaranteed a selling price. These shares are most attractive to investors who require a steady income and are concerned about the preservation of capital.

Convertible preferred shares offer income-oriented investors a chance at capital appreciation, too. These are preferred shares that can be exchanged for a specified number of common shares. The trade-off is that prices of convertible preferreds typically fluctuate more than those of non-convertible issues. They are probably not for investors who value a relatively stable share price.

One major advantage of investing in preferred shares is the dividend tax credit. While tax reform proposals of June 1987 lessen this advantage, the dividend tax credit still means that an individual investor will retain more of each dollar of dividend income as compared to interest income.

Another interesting effect that tax reform will have on the preferred share market is to make them a less attractive financing alternative for companies. Now corporations issuing preferred shares must pay a tax on the dividends paid. As a result, few new preferred share issues will come to market meaning that investors will be bidding for a finite number of issues. However, prices of these shares are expected to remain stable as long as interest rates are stable.

If you think preferred shares may have a place in your portfolio, check with your Investment Executive. Because of all the variables associated with these securities, expert advice is essential to choose both the right type of preferred and choose between specific issues.

*Editor's note: Terry Coughlin is an Investment Executive with Scotia McLeod in Toronto; call (416) 862-3218 for more information.*

## Credit card charges

The following information is provided to help consumers compare selected credit cards. Supplementary features such as travel insurance are not taken into account and premium cards, such as "gold cards" are not included.

Interest is calculated on a daily basis. Payments immediately reduce the balance that is subjected to interest.

There is no grace period on cash advances.

For merchandise purchases, no

interest is charged if the balance is paid in full within the grace period. For Bank of Nova Scotia and Canada Trust any unbilled cash advances (including interest) must also be paid in full to avoid interest charges on merchandise purchases. On a balance carried over from a previous month, interest will be charged up to the date of payment in full. Exceptions are the Bank of Nova Scotia and the Toronto Dominion which calculate interest only up to the most recent statement date.

Banks, Trust Companies, Credit Unions	\$ Fees (annual)	Interest Rates % (annual)	Grace Period (days)	Interest Charge Calculated from	
				Date of Purchase	Date of Statement
<b>MasterCard</b>					
Bank of Montreal	—	18.9	21	X	
Canada Trust	12*	16.5	15		X
Canada Trust Supercharge	—	13.5	0		X
CS CO-OP	—	18.9	21	X	
National Bank	—	18.9	21	X	
National Trust	—	18.9	21	X	
<b>VISA**</b>					
Bank of Nova Scotia	12	16.5***	21	X	
Can. Imp. Bank of Comm.	6	16.5	21	X	
Central Trust	—	18.9****	21	X	
Centre Desjardins	12	16.5	21	X	
Guaranty Trust	—	18.9	21	X	
Laurentian Bank	9	15.9	21	X	
Royal Bank	12	16.5	21	X	
Toronto Dominion Bank	6	16.5	21		X
Vancouver City Savings	6	16.5	21	X	

\* Reduced by any interest charges.

\*\* For most VISA cards there is a 15-cent transaction charge on each merchandise purchase up to a maximum monthly fee. Exceptions are Centre Desjardins, Guaranty Trust and Toronto Domi-

nion Bank, which have no transaction fees.

\*\*\* For cash advances, the interest rate is 15 per cent.

\*\*\*\* For customers who held a Central Trust VISA card prior to August 1, 1988, the interest rate is 16.5 per cent.

Except for Canadian Tire, **Retail Stores** subtract payments equal to or exceeding 50 per cent of the monthly statement balance before calculating interest charges. In Quebec, however, interest is calculated on a daily basis which means that all payments reduce, as of the date of payment, the balance that is subject to interest. Home Hardware calculates interest charges on either the month-end statement balance (minus any payments) or on a daily basis depending on whether purchases are paid off within the first month or over a longer period.

Except for Petro Canada, Sunoco, Ultramar and en Route, **Gasoline Retailers and Travel Cards** require full payment by the payment due date. Most of these card issuers calculate interest on unpaid accounts on a daily basis. Exceptions are Husky Oil and Petro Canada which calculate interest on month-end balance, as well as American Express which levies interest on unpaid balances at specified intervals, beginning 45 days after the statement date.

Other Credit Cards	\$ Fees (annual)	Interest Rates % (annual)	Grace Period (days)	Interest Charge Calculated from	
				Date of Purchase	Date of Statement
<b>Retail Stores</b>					
Canadian Tire	—	28.8	30		X
Eaton's	—	28.8	30		X
Home Hardware	—	28.8	30		X
Hudson's Bay	—	28.8	30		X
Sears	—	28.8	30		X
Simpsons	—	28.8	30		X
Woodward's	—	26.4	30		X
Zellers	—	28.8	30		X
<b>Gasoline Retailers</b>					
Eso Petroleum of Canada	—	24	25		X
Husky Oil Ltd.	—	15	25		X
Irving Oil	—	24	25		X
Petro Canada	—	21	25		X
Shell Can. Products Ltd.	—	24	25		X
Sunoco	—	24	25		X
Texaco Canada Inc.	—	24	25		X
Ultramar	—	24	21		X
<b>Travel Cards</b>					
American Express	45	30	45		n.a.
Carte Blanche	40	24	30		X
Diner's Club	40	24	30		X
en Route	30	19	30		X



## ELECTORS

### VILLAGE OF PORT McNICOLL

NOTICE IS HEREBY GIVEN that I shall post the Preliminary List of Electors on the 6th day of September, 1988.

ALL ELECTORS SHOULD EXAMINE THE LIST to ensure their names and relevant information are correctly shown.

APPLICATIONS for inclusions, additions or corrections to or deletion from the list are available at the Municipal Office, 392 Third Street.

REVISIONS OF THE LIST shall be undertaken at the above location between the hours of 9 a.m. and 5 p.m. each weekday Tuesday September 6, 1988 through Monday October 17, 1988 inclusive.

THE LAST DAY for filing applications for inclusion, additions or corrections to or deletions from the list shall be Monday October 17, 1988.

DATED AT PORT McNICOLL, ONTARIO THIS 31st DAY OF AUGUST, 1988.

Ted Walker, A.M.C.T.  
Clerk-Treasurer-Administrator  
Village of Port McNicoll.

## FORM 2 Expropriations Act NOTICE OF APPLICATION FOR APPROVAL TO EXPROPRIATE LAND

IN THE MATTER OF an application by THE CORPORATION OF THE TOWNSHIP OF TINY for approval to expropriate land being the whole of Lot 22, Concession 21, in the Township of Tiny, County of Simcoe for the purpose of establishing a public park.

NOTICE IS HEREBY GIVEN the application has been made for approval to expropriate the land described as follows:

The whole of Lot 22, Concession 21, in the Township of Tiny, County of Simcoe.

Any Owner of lands in respect of which notice is given who desires an inquiry into whether the taking of such land is fair, sound and reasonably necessary in the achievement of the objectives of the expropriating authority shall so notify the approving authority in writing:

- in the case of a registered owner, served personally or by registered mail within thirty days after he is served with the notice, or, when he is served by publication, within thirty days after the first publication of the notice;
- in the case of an Owner who is not a registered owner, within thirty days after the first publication of the notice.

The approving authority is

THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF TINY

R.R. #1, Perkinsfield, Ontario L0L 2J0

THE CORPORATION OF THE TOWNSHIP OF TINY  
(Expropriating Authority)

by its Agent,  
TESKEY, HEACOCK, FERGUSON & MAIN

NOTES:

- The Expropriations Act provides that,
  - where an inquiry is requested, it shall be conducted by an inquiry officer appointed by the Attorney General;
  - the inquiry officer,
    - shall give every party to the inquiry an opportunity to present evidence and argument and to examine and cross-examine witnesses, either personally or by his counsel or agent, and
    - may recommend to the approving authority that a party to the inquiry be paid a fixed amount for his costs of the inquiry not to exceed \$200.00 and the approving authority may in its discretion order the expropriating authority to pay such costs forthwith.
- "owner" and "registered owner" are defined in the act as follows: "owner" includes a mortgagee, tenant, execution creditor, a person entitled to a limited estate or interest in the land, a committee of the estate of a mentally incompetent person or of a person incapable of managing his affairs, and a guardian, executor, administrator or trustee in whom land is vested; "registered owner" means an owner of land whose interest in the land is defined and whose name is specified in an instrument in the proper land registry or sheriff's office, and includes a person shown as a tenant of land on the last revised assessment roll.
- The expropriating authority, each owner who notifies the approving authority that he desires a hearing in respect of the lands intended to be expropriated and any owner added as a party by the inquiry officer are parties to the inquiry.

This Notice first published on the 30th day of August, 1988  
R.R.O., 1970, Reg. 285, Form 2