

REES' Pieces

We're being squeezed like grapes

Where to turn and how to avoid being squeezed further is the foremost thing on many Nova Scotians minds this winter. Sometimes we feel like fresh grapes being stomped on in the fall at a winery.

Here's just a short list of why. Nova Scotia electricity rates increased at the turn of the calendar; last fall the Nova Scotia Utility and Review Board approved the Maritime Link, which will surely increase each electrical bill; gasoline, diesel and home heating fuel continues to be high priced and just recently Efficiency Nova Scotia was approved to add \$1.00 per month to each electrical customer.

In the meantime, wages are stagnant; hours have probably been cut; the extreme cold weather had taken a big chunk out of our pockets to keep families warm; we pay higher vehicle repair bills, because most roads are in deplorable condition. If it wasn't for the resiliency of Nova Scotians to withstand most economic challenges, we'd be suffering a gigantic case of despair.

Many are calling for better mental health programs to help those in depression and stress leading to mental illness. All levels of government and at-arms-length organizations are continuing to apply the pressure to test our resiliency. Not one of our elected officials have stepped up and said, "Enough is Enough". Nor have they gone to their constituents, in a formalized way, to determine what taxpayers would like their elected representative to push forward.

Now that CUPE's 450 members who work as bus drivers, tradespeople or custodians at CCRSB are on strike the pressure on taxpayers is even higher. This is mid-term exam week for high school students and without the busses running parents will be scrambling to deliver students to school then pick them up after class.

I am not saying CCRSB should have granted CUPE's wishes just because it's exam week. School boards need to find ways to reduce costs, yet ensure quality education is delivered to all students. If the only reason for the strike was on "contracting out" let's consider the impacts. The maintenance work would still need to be completed. Maybe that work would filter down to local contractors, who employ local tradespeople. Would there be a cost saving, it's hard to say. However the money paid to employees would stay in the community.

A strike would be more relevant if the cause was "better education for our youth".

Another big worry for residents is property taxes. Each year they go up and up and up and we don't see a measurable increase in services or pleasure in paying more.

If the rural economy is to be redefined, it will take all of us working together to achieve what needs to be done. Which politician will grasp that thought and start community wide consultation so the taxpayer's perspective is heard and understood?

Take for instance, the examples set out in Councillor Tom Taggart's column on property assessments. The Canadian Price Index (CPI) has gone up approximately 3.1%, which is a natural progression across the board. However property assessments have gone up about 6% at the same time resale pricing of property in Northern Nova Scotia has decreased slightly over 4%.

When I went to school, 6 and 4 equaled 10. Compared to market value, assessments in this region have increased 10% slightly more than triple the CPI. That does not mean your taxes will go up 6% or 10%, after including drop of 4.1% in sale prices. Assessments are just that. The municipality use assessments and expenditures to determine the tax rate.

In order to stay within the CPI 3.1% increase considering assessments are up about 6%, municipal expenditures would have to be decreased by 3%. Will council ask municipal staff to cut 3% off last year's budget numbers to be fair to residents of Municipality of Colchester?

Speaking of taxes and rates, it is interesting to note than on CNN, which I watch regularly the State of New York is advertising for new businesses to be started or relocate within the state. The enticement is "Pay No Taxes for 10 years".

Is this a marketing tool the Municipality of Colchester should adopt when its new Development Officer starts work?

Maurice

Rules for "In-The-Home" Oxygen Use

By *Christine Urquhart*

Do you know anyone who is on oxygen? Here are some Medical Oxygen Safety Tips: Use of portable medical oxygen in the home has grown over the past decade. Medical oxygen adds a higher percentage of oxygen to the air a patient breathes. Fire needs oxygen to burn.

If a fire should start in an oxygen-enriched area, the material burning will burn more quickly.

A) There is no safe way to smoke in the home when oxygen is in use. No one should smoke in a home where a patient is using oxygen.

B) Candles, matches, woodstoves, and even

sparkling toys can be ignition sources and should not be used in a home where medical oxygen is in use.

C) Keep oxygen cylinders at least 5 feet (1.5 meters) from a heat source, open flames, or electrical devices.

D) Body oil, hand lotion, and items containing oil and grease can easily ignite. Keep oil and grease away where oxygen is in use.

E) Never use aerosol sprays containing combustible materials near oxygen. (Pam cooking spray will ignite very easily!)

F) Post "No Smoking" and "No Open Flames" signs in and outside the home to remind people not to smoke.

In Case of Fire, Have a Plan

By *Christine Urquhart*

Remember those days when in school you learned about fire safety? Children are still taught this today, thanks to our local fire brigades but sometimes we adults need a refresher course!

Here are some ways we can prevent fires:

1) If you smoke, smoke outside. Provide smokers with large, deep, sturdy ashtrays. Wet cigarette butts and ashes before throwing them out or bury them in sand. Never smoke in bed. Never smoke if oxygen is used in the home.

2) Give space heaters space. Keep them at least 3 feet (1 meter) away from anything that can burn - including you. Shut off heaters when you leave or go to bed.

3) Stay in the kitchen when frying food. Never leave cooking unattended. Wear

tight-fitting or short sleeves when cooking. Use oven mitts to handle hot pans. If a pan of food catches fire, slide a lid over it and turn off the burner. Don't cook if you are drowsy from alcohol or medication.

4) Stop, drop, and roll. If your clothes catch on fire stop (don't run), drop gently to the ground, and cover your face with your hands. Roll over and over on back and forth to put out the fire. Use cool water for 3-5 minutes to cool the burn. Get medical help right away.

5) Smoke alarms save lives. Have smoke alarms installed on every level of your home, inside each bedroom and outside each sleeping area. For the best protection, use interconnected alarms so when one sounds, they all sound. Make sure everyone in your

home can hear the smoke alarms. Test the alarms monthly.

6) Plan and practice your escape from fire and smoke. If possible, plan two ways out of every room in your home and two ways out of your home. Make sure windows and doors open easily. If the smoke alarm sounds, get outside and stay outside.

7) Know your local emergency number. Your emergency number may be 9-1-1 or the fire department's phone number. Once you have escaped a fire, call the fire department from a neighbour's phone or a cell phone.

8) Plan your escape around your abilities. Have a telephone near your bed in case you are trapped by smoke or fire. Have other necessary items near you bed, such as medications, glasses, wheelchair, walker, scooter, or cane.

Understanding the Concept of Diversification

By *Kim Inglis*

Good investors understand the concept of diversification and its benefits in managing risk. However, although many do diversify with individual holdings, the majority fall short when diversifying from a global standpoint. That's understandable as it's natural to invest in what one knows, which most often means domestic companies with familiar products and services. But there is a lot of opportunity for investors who look farther afield.

Institutional investors and pension funds have long recognized this. The Canada Pension Fund (CPF), ranked as one of the 10 largest retirement funds in the world, has allocated only 16.7% of its equity holdings to Canadian investments, compared to 69.8% for foreign developed markets and 13.5% to emerging markets. For fiscal 2013 they had a 10.1% rate of return. The world's largest pension fund, Japan's Government Pension Investment Fund, has 43.5% of its equity investment allocated to international stocks and posted 10.2% for fiscal

2012.

Investors who stick to investing at home introduce a lot of risk to their portfolios. There are over 30 major equity markets globally and Canada represents less than 4% of world stock market capitalization. The likelihood of at least a few other countries outperforming Canadian markets in the coming years is strong and, just as it is rare for a specific asset class or individual equity to consistently outperform year over year, the same applies to stock markets. Diversifying globally helps spread the risk that Canadian markets may not provide the necessary performance to boost portfolio returns.

Adding a global lens to the portfolio guards against sector concentration. Nearly 80% of the S&P/TSX 60 is comprised of three sectors - financials, energy, and materials. By looking elsewhere investors gain access to sectors such as healthcare, which are under-represented in Canada.

Accessing markets worldwide allows investors to take advantage of global wealth trends. Credit Suisse reports

that global wealth has reached an all-time high of USD 241 trillion and the average wealth per adult is USD 51,600. Analysts believe these numbers will increase 40% over the next five years, with emerging markets accounting for 29% of that growth. More wealth brings more funds available to invest, which bodes well for global markets.

For income investors, global investing provides an opportunity to boost overall portfolio yield. According to Guardian Capital, 58% of world market returns are derived from dividends. In some countries the numbers are even higher. In Australia 73% come from dividends and in the United Kingdom it's 63%. Although global dividends aren't subject to the Canadian dividend tax credit, investors can hold most global equities in registered plans for tax efficiency purposes.

Investing globally can introduce some risks, such as foreign exchange and liquidity, and transaction costs can be higher in some international markets. Investors can mitigate these risks by access-

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ing global equities via managed products such as exchange-traded funds or mutual funds. These will provide diversified exposure to the global markets, thereby reducing liquidity concerns, and many can be bought with currency hedging. Transaction costs are often reduced by the sheer size of managed products and the resulting economies of scale.

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