

Letter To The Editor

From Lorne Danielson
Income Trust And Your Government Nov. 5, 2006

Trust Units are/were helping many middle class Canadians plan for the future. Eliminating 1 of the 2+ levels of taxations makes a significant difference and also provides direct benefit to Canadians.
And corporations (except perhaps Martins steamship company) do not send \$\$ overseas..they re-invest them in Canada.

It is very suspicious that P. Desmerais of the Power Corp. is so against the Trust Structure and had so much influence with the Finance Minister.

I really doubt billionaire Desmerais has the best welfare of me or other middle class Canadians at heart.

Some points re trusts:

1) Income Trusts have been provided tremendous capital to the Canadian economy ***by Canadians***, not foreign capital. Some Trusts even own U.S. businesses (ie Custom Direct Fund).

`I myself only invested in U.S. securities

until discovering Trust units about 5 years ago.

As I write this many of the oil & gas trusts executives

have flown to the U.S. looking for capital

– leading to greater foreign ownership of Canada

2) Income Trusts are providing middle class Canadians opportunities to save for retirement

without double and triple levels of taxation.

Why is the government so nasty to Canadians who try look after themselves?

while they sit comfortably knowing their retirement is secured by Canadian Taxpayers

3) Income Trusts have just suffered a \$23 billion loss.

I for one will certainly be sharing my capital losses with Ottawa

4) Upon reviewing the Public Accounts of Canada I see:

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Total Tax revenue	\$ 186,100M
Corporate Tax revenue taxes)	\$ 31,724M (about 17% of total taxes)
Old age benefits, etc	\$ 28,992M
Other health & social items	\$ 27,225M
National Defence	\$ 15,034M
National Debt servicing	<u>\$ 33,772M</u>
total core expenses:	\$ 105,023M (about 58% of total taxes)

Canada has one of the highest taxation levels worldwide yet provides inferior social benefits. Nor do we spend billions on world wars or send people to the moon.

Only 58% of federal tax revenue is spent on core social programs

leaving considerable opportunity to reduce taxes and improve social services without corporate taxes.

5) As protecting Canadians from 'unsound' business structures the stock market is full of good and bad investments. Trust corporations are no different – it is up to the investor to educate himself.

Generally anything the government sponsors is ***a bad investment:***

labor funds, flow through shares, etc. all very poor investments

it is protection from Government that I need.

Its important to remember that c

Both the former Liberal and Present Conservative Governments have proven to be very greedy 'landlords'.

What's your opinion on the trust situation

Regards,
Lorne Danielson.