

A Message From:
MARIA MINNA



**MEMBER OF PARLIAMENT
BEACHES - EAST YORK**

Harper's Broken Promise

On Hallowe'en 2006, Prime Minister Harper gave Canadians a sizeable "trick" rather than a "treat".

Stephen Harper dealt a tremendous blow to many of Canada's investors when he announced that his government would levy a tax on income trusts, a popular investment vehicle, especially among seniors.

Despite campaign promises not to tax income trusts, Financy Minister Jim Flaherty announced that this minority Conservative government would go against its word.

In just one day, \$25 billion in savings were lost.

During the last federal election the Conservative Party of Canada stated: "Only the Conservatives will give seniors security by pledging to levy no new taxes on income trusts."

« I tell you, I've got seniors that have income trusts that are down \$25,000 or \$30,000 today...They're getting hit in a big way. »

- Brendan Caldwell, President, Caldwell Securities, November 2, 2006

« The fact that no one had a clue tells another story, that the government did not consult with enough people to truly understand the impact of yesterday's announcement. »

-Deborah Yedlin, Globe and Mail financial columnist, November 1, 2006

Canadians invested their money based on this promise and it ended up costing them tens of thousands of dollars of hard earned savings.

Minister Flaherty has yet to share with Canadians the data he collected and analyzed before announcing the taxation of income trusts. The Minister of Finance has a responsibility to Canadians to offer a real reason for this betrayal.

To date, we have heard nothing from this government other than "things changed this year". Things have changed this year, largely because of the promises the Conservative Party of Canada made to its electorate.

The government tried to soften the blow with Canada's seniors by offering a new taxation strategy.

On one hand they took billions from seniors through lost income trust savings; and on the other, offered pension splitting.

Pension splitting only offers, on average, 2% in tax relief for seniors. It is only available to seniors who are married and who receive a pension that is significantly higher than their spouse.

Pension splitting will do very little to curb poverty among seniors and even less to alleviate the huge losses they have suffered as a result of this income trust flip flop. This government's tax plan should benefit all of Canada's seniors; regardless of marital status.

In one foul swoop, Prime Minister Harper cost Canada's seniors and investors billions of dollars and broke a campaign promise.

This is simply unacceptable.

Maria Minna