A Call to Action

by Amy Gallan

A meeting of twenty committee members was held on Friday, January 26, to finalize plans for this year's National Action Day Plans. The date of the events, organized by the Canadian Federation of Students, has been set for February 7, when participants in the National Action Day activities will be meeting at 11:30 at the Student Union Building. From there they will march to the Provincial Legislature. At the Legislature there will be speakers to talk to the crowd about issues such as education, health-care, and social services, all of which are among the main factors for the march.

CFS says that during this year's National Action Day, the finger will be pointed at the major corporations ''for not paying their fair share in sustaining the standard of living Canadians so rightly deserve,'' and the federal governments ''for creating and keeping the tax loopholes that reinforces the fiscal unfairness.''

The Canadian Federation of Students offers some facts, which they believe should inspire people to participate in National Action Day. One of which is the fact that over 98,000 Canadians with annual incomes over $100,000 take advantage of tax loopholes so that they don't have to pay anything in income tax. Also, about 1,700 of Canada's wealthiest families shelter so much income in tax-exempt family trusts that they save enough to reduce their tax payments by a total of $100 million.

TOP 15 CORPORATIONS IN OWING DEFERRED TAXES

#	Corporation	Year	$millions
1.	Bell Canada	1993	2,033
2.	BCE Inc.	1993	2,000
3.	Canadian Pacific	1993	1,776
4.	Imperial Oil	1993	1,458
5.	Cdn. Pacific Enterprises	1992	1,092
6.	Shell Canada	1993	891
7.	Alcan Aluminium (in US$)	1993	888
8.	PanCanadian Petroleum	1993	834
9.	Chrysler Canada	1993	707
10.	Noranda Inc.	1993	607
11.	Norcen Energy Resources	1993	538
12.	Petro-Canada	1993	510
13.	Amoco Canada (Petro.)	1993	463
14.	Alberta Energy Company	1993	445
15.	Home Oil Co.	1993	435

CFS believes that people should be upset that Canada's top five banks were given $2.8 billion in tax breaks during the 1980s, a period in which they laid off 12,000 employees. Also, many corporations are allowed to defer paying taxes. At last count, they collectively owed the federal government about $40 billion. CFS believes that most of this money will never be paid. The corporations are not even obliged to pay interest on these deferred taxes. CFS says: ''It is outrageous that a company like Canadian Pacific can make $422 million profit and pay no corporate income tax -- in fact, they received a tax credit of $5.7 million. Chrysler Canada's effective tax rate was only 2.3% on its profit of $418.8 million.''

Canada has the lowest rate of corporate contributions to public revenue out of all the G-7 countries. Deferred corporate taxes in Canada now add up to a staggering $36 billion. Companies are allowed to accumulate (refrain from paying) these deferred taxes as long as they maintain a steady level of capital investment. CFS says ''As long as a company keeps on buying or improving plants and equipment, its deferred taxes continue to increase.'' They offered Shell Canada as an example. This corporation owes the federal government $891 million in deferred taxes; but it will never actually be required to pay them as long as it keeps incurring capital costs it can write off. CFS believes that if the Canadian Government charged such corporation a reasonable interest rate on their deferred taxes it would result in close to $4 billion in additional revenues each year.This revenue oculd be spent on public services and post secondary-education.

The Student Union says that the march will go on, regardless of the CFS referendum results. Student union president, Amber Allin, hopes that 1996's National Action Day will be much larger than 1995's, which was a small informative event. ''We're hoping it'll be huge, with a lot of student participation . . .'' says Allin. ''The mood is there, we can all see the need for action, we've all felt the cuts.''

The Panther Prints Wants You

Mystery Donor Wills 1,000,000

by Amy Gallan

Most large donations to any charity spark public interest. This is particularly true when the donation is anonymous and worth one million dollars. This was the case in the amount of a donation made to UPEI in the form of a life insurance policy.

No one knows or is allowed to reveal who the donor is. What is known is that the individual took the insurance policy out in his or her name and donated it to the university so that when he or she passes away the university will receive the money. The money will be an unrestricted gift, meaning that the money may be used for anything the university wishes. However, it may not be until the money is in the hands of the university that it will be known how the money will be used.

One of the more interesting factors in this donation is that it is in the form of a life insurance policy. The university promotes life insurance as being an ideal gift. They give several reasons for their belief, including the fact that life insurance permits you to arrange for a substantial gift (as high as $1,000,000) by making a series of modest payments to UPEI during your lifetime. Also, a gift of life insurance is certain, or dependable, because the full proceeds of the policy will be payable to UPEI when the insured dies.

The university also puts forth other reasons why insurance policy donations make exemplary gifts. One is that life insurance is paid promptly; it is not tied up in the administration of the estate and, unlike a will, life insurance is not a matter of public record.

Also, tax considerations often play an important role in selecting life insurance as the method of giving a gift to the University of Prince Edward Island. If policy premiums are paid directly to the insurance company by the donor at the request, or with concurrence of UPEI, this is considered a charitable donation. The university, when it eventually receives the proceeds as the beneficiary, issues an official receipt. The donor (if living, otherwise his or her estate) can use this when filing income tax (or succession duty) returns.

The reason behind the donation is unknown, whether for tax reasons or personal reasons. No matter the reason, however, the donation is much appreciated by the university, and is sure to come in handy in the future as the university faces increased cuts every year.