REES' Pieces

Division by Fracking

Earlier this month I started gathering information and my thoughts to develop this column on electricity rates. My intention was to contact the Utilities and Review Board (URB) to determine the process for The Shoreline Journal to represent residents and businesses in West Colchester by becoming an intervener in upcoming hearings about the Maritime Link.

However, mid-month that plan was put on hold when another community situation started to consume all of us. It's called Fracking.

If there was a decision to proceed, it was my intention to ask residents, community groups and businesses in the area to submit a one or two page response, which would be included as part of the intervention for presentation to the URB. The Shoreline Journal would simply be an ambassador expressing your opinions in a public regulatory hearing process about power rates and how increased costs affect you.

I'm still accessing the idea. I'd appreciate calls, letters, emails or faxes to gauge your opinion if we should advocate on your behalf. Please send your opinions by February 15th.

Now to deal with the issue at hand. I had a general idea what fracking was and what it entailed, but I decided to look for more professional definitions. Here are the first two definitions, I found:

Definition of "Fracking" - A slang term for hydraulic fracturing. Fracking refers to the procedure of creating fractures in rocks and rock formations by injecting fluid into cracks to force them further open. The larger fissures allow more oil and gas to flow out of the formation and into the wellbore, from where it can be extracted. Fracking has resulted in many oil and gas wells attaining a state of economic viability, due to the level of extraction that can be reached.

Investopedia explains "Fracking" - Petroleum engineers have used fracking as a means of increasing well production since the late 1940's. Fractures can also exist naturally in formations, and both natural and man-made fractures can be widened by fracking. As a result, more oil and gas can be extracted from a given area of land.

So far, fracking has certainly lived up to its activity – that of division of petrochemicals from rock and sediment. Debert and most of West Colchester are being fracked – divisions that may never be healed are starting to develop.

On one side you have some opponents, almost fanatical about their beliefs, and with reports of some non-factual statements at a public meeting on January 15th, it's unknown to what extent they may go. In the middle you have the non-informed resident. On the other side you have the regulators, of which the municipal council and local councilors are front line; trying to wade through piles of data to make a decision based on fact; what is best for the environment, residents, business interests and the area.

There's a feeling some municipal officials are talking both ways…. want a decision based on fact, good for the residents and the corporate world, but regardless in no way do they want fracking fluids going into the Bay of Fundy. That's straddling the picket fence. Just be sure one foot doesn't slip. Coming down hurts and damages credibility.

Whatever action municipal council takes and changes they make to by-laws, it won't be an easy decision. They must have the wisdom of foresight, as they must not put future economic development in jeopardy.

The energy sector has turned Newfoundland into a "have" province within 20 years, while manufacturing rich Ontario has been relegated to "have not" status. While researching this article, I learned in the United States, 1.75-million jobs have been created in the last two years; billions are being spent as they believe their economic recovery will be primarily built upon fracking for gas and oil and they will become a major exporter of natural gas within 10 years.

I'm not saying yes to fracking. I am saying there are appropriate solutions.

Maybe council's best decision will be to seek input and $$$ from Halifax and Ottawa to create a Centre of Excellence fluid treatment facility, which would handle fluids from Ontario eastward. Today's society will never get rid of such fluids, so why not be unique and treat ours and others. Create a major economic engine for the area.

Come on council, be brave. Find a solution other than NO WAY.

Maurice

Letters to the editor

This is an open forum for your opinions and comments.

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Dear Sirs:

I am happy to "renew" my subscription to the Shoreline Journal for 2013. I thoroughly enjoy it all.

I am 92 and still able to live alone, even though "old age" has caught up with me these days. I really miss getting to Nova Scotia these days, thus the Shoreline really fills a void in my life.

Dorcas Knight
New Hampshire, USA

CNTA Conference and Awards - February 28 - March 1

By Maurice Rees

The CNTA Tradeshow, Conference, and Awards Luncheon will be held on the evening of Thursday Feb. 28 and throughout the day on Friday March 1, 2013. Registration details will be available soon and CNTA staff will be encouraging industry stakeholders in the region to help spread the word and take advantage of the event to kick-start the 2013 tourism season in the Central Nova Scotia region. Here is a brief outline of the events.

Feb. 28, 6pm-9pm, Tradeshow and Wine & Cheese Reception – A networking event and opportunity to show and tell people about what's new at your business or organization. Trade show space is included with registration, business executives can mix and mingle and enjoy the evening's entertainment.

Mar. 1, 9:00am-4:30pm, Conference and Awards Luncheon -A day of engaging and informative sessions to gain a competitive edge for the 2013 tourism season. The day's events includes the CNTA Awards Luncheon to acknowledge 2012 s finest. Session topics and speakers to announced soon.

Deadline for nominations is February 15, 2013 in the following categories: Food & Beverage, Festivals and Events, Gift shop, Accommodation, Attraction, SuperHost and Ambassador/Individual.

Comparing TSFA's & RRSP's

By Kim Inglis

A frequent financial planning question is whether to contribute to a Registered Retirement Savings Plan (RRSP) or a Tax Free Savings Plan (TFSA). With the ratio of Canadian household debt to annual disposable income at a new high, limited resources are forcing many to choose one over the other. Making the decision begins with a basic understanding of each.

RRSPs are designed to promote long-term retirement savings. The maximum annual contribution limit for 2012 is $22,970, with individual amounts varying based on factors such as unused past contribution room. RRSP contributions are tax deductible, and that deductibility offers the greatest benefit when the tax refund is re-invested. Withdrawals are subject to withholding taxes and fees.

TFSAs are savings vehicles that allow contributions up to $5,500 per year (effective 2013) in cash and investments. Unused contribution room can be carried forward indefinitely and never expires. Withdrawals can be made anytime in any amount, without being taxed, and can be fully re-contributed the following calendar year. An individual can fund a spouse's TFSA and the income earned is not attributed back to the partner who provided the funds.

TFSAs make a lot of sense for many young people beginning to save for retirement, as they are still in lower income tax brackets and won't benefit much from the tax deductibility of RRSPs. It may be better to accumulate RRSP headroom until their marginal tax rate is higher.

The funds in TFSAs are also accessed more easily, providing a source of emergency funds. The emphasis is on emergency because the convenience of TFSA withdrawals is a downside for those tempted to withdraw on whimsy rather than absolute necessity.

For investors in higher income tax brackets, RRSPs make sense because their tax deduction is likely at a higher marginal rate than it will be when withdrawals are taxed in retirement. And, RRSP contributions may be used to drop their current taxable income to a lower bracket. Higher income earners are also less likely to have to choose between the TFSA and the RRSP, and may wish to contribute to both and link the benefits.

Assuming the RRSP contribution is fully deductible, a BC investor with an annual income of $100,000 who contributes $22,970 to an RRSP would get a tax savings of approximately $8,317. The refund could be placed into a TFSA, up to allowable limits, to be invested and grow without fear of taxation either now or in retirement, multiplying the positive impact of the original RRSP contribution.

Both RRSPs and TFSAs can act in an investor's favor, not just as savings vehicles but also from a tax planning perspective. Unfortunately, there isn't a one-size-fits-all answer as to which is best, and the choice really boils down to individual circumstances and time horizons. Whether you have a lot or a little to invest, do your homework and begin as soon as possible to ensure you get the most in tax-free or tax-deferred benefits.

Kim Inglis, CIM, PFP, FCSI, AIFP is an Investment Advisor & Portfolio Manager with Canaccord Wealth Management, a division of Canaccord Genuity Corp., Member – Canadian Investor Protection Fund. www.reynoldsinglis.ca. The views in this column are solely those of the author.

The Shoreline Journal

Here's where to find us:

BASS RIVER:
Bayside Pharmacy
Dominion Chair Factory Store

BIBLE HILL:
C.W. Fraser Pharmacy
MacQuarries Pharmacy

DEBERT:
Barnhill's Superette
Debert Mini-Mart

FIVE ISLANDS:
Masstown Market Five Islands

GLENHOLME:
Double "C" Truckstop
Glenholme General Store

GREAT VILLAGE:
C. D. Smith's Rite-Stop
Wilson's Gas

MAITLAND:
Frieze & Roy General Store

MASSTOWN:
Masstown Market

NORTH RIVER:
Grant's Grocery

ONSLOW:
Onslow Market

PARRSBORO:
CrossRoads Co-op
Ken's Grocery
Wright's Pharmasave

TRURO:
Atlantic Superstore
MacQuarrie's Pharmasave
(Esplanade)

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If you have a suggestion, or wish to have the Shoreline available from your store, please contact: Maurice Rees, Publisher 902-647-2968, or E-MAIL: ***maurice@theshorelinejournal.com***

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