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"What's Going on in Canada?"

AN ADDRESS BY

Hon. E. C. Manning

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Hon. E. C. Manning:

Ladies and Gentlemen:

I have a somewhat different type of program for you tonight. It might be called, "What's Going on in Canada?"

It is of the utmost importance that all of us realize that our interests as individuals, and as a Province, are directly affected by what is going on in our nation as a whole. That's why I have repeatedly appealed to you to look beyond your immediate community and personal interests and take stock of the trends developing in our country, many of which are fraught with serious consequences for the future. If we remain indifferent to these things, ultimately we will lose our heritage by default, together with our individual liberty and independence. These are the things I would like us to consider tonight.

Among the many periodicals that come to my desk, is a very excellent farm publication called, "The Farm and Ranch Review". In a recent edition, under the heading, "Is No-one Concerned With Our Drift Into Debt?", it listed some very significant points from "The Canada Year Book" and "Facts About Canada". I'd like you to consider some of them tonight. Here are a few:

The interest on Canada's public debt is now more than 1 billion dollars a year. The increase on the interest alone in the last year was 54½ million dollars. Of every tax dollar the Federal Government spends, 19.8 cents goes for national defence; 29.4 cents on health and welfare; and 11.2 cents goes to pay the interest on our public debt. This, of course, is what comes from governments, like people, living beyond their means.

The grand total of spending by all levels of government in Canada reached 7 billion dollars in 1954. Last year, this had jumped to 14½ billion dollars. The Federal Government, with its various welfare programs, now dips into the public treasury every month to send out cheques to 4,517,000 Canadians.

We should be interested in how wisely our tax money is being spent, and this article has some interesting comments and examples in that regard. Here are a few of them:

The government-run Queen's Printer in Ottawa has printed and published, at public expense, a booklet on "Song-Birds of Southern Russia", some pamphlets entitled, "Nest Boxes for Birds", some other booklets on "Sea-Shells of the Atlantic Coast", and another booklet on "Art of Sandwich-Making". When did all this kind of thing become a proper claim on the tax-payer's dollar?

One of the most extravagant and unwarranted squanderers of the tax-payers' money is the government-owned, but not controlled, Canadian Broadcasting Corporation. Here are a few interesting points about it:

The CBC's operating grant in 1959-60 was \$58,404,000. In the year ending March 31st, 1965, it had increased to \$85,900,000. It is now \$96,799,000 for the year ending next March, and there is no end in sight. The government-run CBC requires 8,600 people to operate its 60 broadcasting outlets in Canada. At the same time, the tax-paying private industry requires only 8,200 personnel to run 301 radio and television outlets.

The article added: "Biculturalism may be further promoted than you think. While Quebec has a population of only 5½ million people com-

pared with France's 45 million people, Montreal, which is the CBC's main centre for French language productions, has become the largest centre in the world for the production of live French television programs."

Here's another interesting point. The free-spending, government-run CBC, which is unable to retain the mass audiences in English at home, is permitted to operate an 11-language international service, all at the public expense. How many of you know that the Canadian government financed the new television service of Ghana at a cost of \$4,200,000, to assist in the socialist transformation of that country, under the dictatorship of Kwame Nkrumah? The CBC not only trained the Ghana technicians, but CBC personnel were sent to Ghana while the service was being established.

Then the article went on to deal with some questions about the cost of administration in some other Federal fields. For the fiscal year 1964-65, general tax revenues contributed 62 million dollars to Canada's Unemployment Insurance Fund, but during the same period, tax revenues paid 54 million dollars to the army of public servants who administered it.

The Federal Department of Industry (and this was an unnecessary duplication of the Departments of Industry in the various Provinces) had a staff which totalled 321 on the 1st. of October, 1964, and which, in one year, increased by 81%, to 583. What about the tax bill this kind of spending requires?

In 1962, the most recent year on record, the 19,848 taxable companies in Canadian manufacturing industry, paid to the Government of Canada in corporation taxes alone, 691 millions of dollars. The maximum corporation tax rates in

Canada are 23% on the first \$35,000 of income, and 52% on the remainder; whereas in the United States they are 22% on the first \$25,000 and only 48% on the remainder. The article mentioned this is how to encourage investment in Canada! Contrary to the opinion held in some quarters, dividend returns from investors is small in the Canadian manufacturing industry. Last year, it amounted to only 2½ cents per dollar of sales. Again, the real villain is government, which skimmed off tax profits to the extent of 9 cents per dollar of sales.

This publication listed a number of other interesting points. I won't take time to read them tonight; but these things indicate to you where we are drifting in this country in the matter of debt and taxation—a great deal of it being spent for totally unnecessary expenditures and squandered in a way that is a disgrace, having no regard for the interests of the tax-payers of Canada. The serious thing is that debt and taxation inevitably mean higher and higher prices and higher cost of living. The gross national product in Canada for last year increased by about 7.6%; but the significant thing is that only about 4.5% of that increase was an actual increase in productivity. The balance was made up simply by inflated prices which gave a higher price value to the products of the country.

There's another matter developing that involves the Federal authorities that is giving us concern in this Province, and I don't know what to call it other than apparent discrimination against the Western Provinces, and Alberta in particular. Here are some of the things that are giving us concern:

The first is the matter of the Farm Assistance Program for the Peace River area and West

Central Alberta, where, as you know, there has been a series of crop failures that may affect up to 2,000 farmers this year. The Federal Government previously had shared on a 50-50 basis, with those Provinces who provide necessary assistance, including Alberta. In this case, Alberta this year has proposed an Assistance Program for these farmers based on crop yield as determined by the P.F.A.A. survey records. The anticipated cost is around 2½ million dollars, and we were prepared to pay half. We anticipated the Federal Government would pay half, as has previously been the case. The Federal Government has now refused to pay any part of the cost; notwithstanding the fact that, at the same time, the Federal Government is spending some \$15,000,000 in similar shared Farm Assistance Programs in the drought areas of Ontario and Quebec. It is also the Federal Government's position in spite of the fact that Government spokesmen, during the recent Federal election, were busy assuring the farmers of the Peace River area that they would be getting substantially increased Federal assistance. The story has changed since the election is over. Surely, this is discrimination against this Province.

Here is another example, in the matter of the Trans-Canada Highway. A number of years ago, the Federal Government agreed with all Provinces to pay approximately 50% of constructing the Trans-Canada Highway (that is, paying for the base course and the surfacing). The four Western Provinces lived up to that agreement with the Government of Canada, and deferred other roads and completed their section of the Trans-Canada Highway within the time designated. The Eastern Provinces didn't, even though they were under the same agreement. Now in 1964-65, the Federal Government has agreed to pay the Atlantic Provinces up to 90% of the cost of constructing the

balance of the Trans-Canada Highway in those areas. In other words, the Western Provinces have been penalized for living up to their agreement. I don't know what you can call that, if it isn't discrimination.

The press, in this last week, has referred to another matter of interest to our people in Alberta—the matter of a second heavy water plant to meet Canada's requirements. Two years ago, a government-supported heavy water plant was built at Sydney, Nova Scotia. It was recognized that this wasn't a logical location, but it was arbitrarily located there as a means of assisting an economically depressed area. As the need arose for further product, it was understood that a second plant would be built in Western Canada. Alberta is a logical location because we have the ideal sources of raw materials and an abundance of the necessary energy resources. However, when it came to locating the second heavy water plant in Western Canada, it was first diverted to Saskatchewan mainly through political influence, and then when financing of the plant there fell through, Ottawa now announces that it won't locate a heavy water plant in the West at all, but instead the uneconomic Sydney plant will be enlarged to meet Canada's requirements.

Ladies and Gentlemen, I mention these matters to you as mere illustrations, on the one hand, of what is going on in this country today that is pyramiding our national debt, increasing our tax burden, and in turn, increasing the price structure and the cost of living; and on the other hand, these developments which can only be called discrimination against the Western Provinces in these important matters that relate to our economic growth and to justice and equity for our people. You can be sure we are going to fight

these things to the last ditch, and I want you to be informed about exactly what is going on.

I see our time has gone. Next week, Mr. Aalborg, Provincial Treasurer, will be with us to discuss Alberta's new Investment Fund. Thanks for joining us. Be with us again next week, and Good-Night.