

TELE-FACTS

Vol. 4

No. 16

Your Taxes Could Be 34 Mills Higher

AN ADDRESS BY

Hon. E. C. Manning

May 5, 1967



Extra copies may be obtained from the Alberta
Social Credit League, 9974 Jasper Avenue, or
Tele-Facts Publications, Box 2300,
Edmonton, Alberta.

Single Copies 15¢

PUBLISHED BY

ALBERTA SOCIAL CREDIT LEAGUE

9974 JASPER AVENUE

EDMONTON, ALBERTA

P.O. BOX 2300

Hon. E. C. Manning:

Good Evening, Ladies and Gentlemen:

I would like to outline some of the constructive legislation that was passed at the last Session and which will go into effect during the present year. Much of this is among the most progressive legislation of its kind in Canada. It speaks for itself in making clear that your Social Credit Government is not only up-to-date with the times, but actually is out ahead of most of the other Provinces of this country. When I hear old-line party spokesmen and socialist politicians trying to tell the people of Alberta that your Government is out of step with the times, I wonder where these men have been during the last five years or so, that they have so little idea of what the score is across this country today. Anyone who is in touch with Canadian public affairs knows that this Province has a longer list of "firsts" in the field of progressive legislation and new programs than any other Province in this entire country. Let me just mention a few that illustrate what I mean.

At the recent session, your Legislature provided for the Human Resources Research Council that we are now setting up. This is the first of its kind in Canada. Provision was made for the Human Resources Development Authority which will be headed by a five-member committee of senior Cabinet Ministers. Alberta is the only Province in Canada that has done anything along this line.

Provision was made for the appointment of a Provincial Ombudsman. This is not only the first for any Canadian Province, but the first office of this kind to be established anywhere in

North America. This is hardly being out of touch or out-of-step with the times, is it?

A year ago, we passed the Condominium Act, or strata-title legislation as it is sometimes called. This is legislation that enables people to actually own an apartment within a large apartment block or building. Again, Alberta was the first Province in Canada to provide legislation of this kind.

Then you are already familiar with our Ministry of Youth. Alberta is one of the few Provinces in Canada to give this proper recognition to our young people.

Financial aid to private schools was arranged for at this session — another "first" in Canada. You are all familiar with our program of Senior Citizens' Homes. Some sixty of these splendid homes have been built, situated all over Alberta — the most advanced program of its kind in this country. The same is true of our Nursing Homes program.

You may not know that Alberta also was the first Province in Canada to implement the debt-consolidation provision under the amendment that was recently made in the Federal Bankruptcy Act. We are one of the first Provinces in Canada to bring all of our Trust Companies under the new Federal Trust Insurance program. Our new Trust Company Act and new Securities Act are certainly among the most advanced in Canada. In addition to all this, as you know, we took steps at this last session to abolish that iniquitous Widow's Tax or Estate Tax, as far as it applies to the Province of Alberta. This is certainly a most progressive step, and again Alberta is the only Province in Canada that has taken this step

in relieving the widows who are left to carry the load when the breadwinner is gone, of the burden of the Provincial portion of Federal Estate Taxes.

In our new Government White Paper, we have outlined many new concepts and policies that will become a blueprint for governments far beyond this Province. We'll discuss a little more of this later if we have time.

I'd like to deal with a matter now that is certainly of interest to all of you, and one which is being rather widely discussed. I am referring to the matter of the municipal tax burden in Alberta. Critics of the Government are trying to tell you that because municipal taxes in this Province are relatively high, the people of Alberta are paying more in taxes than in the other Provinces of Canada. Ladies and Gentlemen, it is important that you understand that this simply is not true. It is completely misleading to single out just one individual tax (in this case, municipal tax) and not tell you the whole story of the total tax structure, because it isn't the individual tax that the man pays that is the important thing, it is the total tax bill that he is called on to pay as a citizen.

(Perhaps if I noted a few figures here, it might make this part of the program a little more interesting and a little easier to follow.)

Let's take, as an illustration, a homeowner in Alberta who has a home with a market value of \$15,000. That home would be assessed at approximately \$6,000 and that means that each mill of municipal taxes would cost that homeowner \$6.00. In the first place, in this Province, this homeowner is entitled to a \$50 Homeowner's

Tax Discount paid by the Provincial Government. If one mill is worth \$6.00, \$50.00 is worth something over 8 mills, which his property tax — the tax on his home — drops by reason of the Government's Homeowner's Tax Discount.

What I want to call your attention to is this. There are three other taxes that are paid by people across Canada, which are very different when it comes to the people of Alberta. The first one is gasoline tax. Gasoline tax, on the average in Canada today is 16¢ a gallon. In Alberta, it is 12¢ — in other words, 4¢ less than the national average. The average automobile driver burns about 500 gallons of gasoline at least a year and a 4¢ a gallon lower gasoline tax in this Province means a saving to him of at least \$20.00 a year.

The next one is Personal Income Tax. In Alberta, the Personal Income Tax is 24% of the Federal Income Tax. In the Province of Saskatchewan, which incidentally has a Liberal Government, it is 29% of the Federal tax. In Manitoba, which has a Conservative Government, it is 29% — in other words, 5% higher than in Alberta. The average low-to-medium Income Tax family is paying a tax on probably up to an average of about \$2,500. A difference of 5% means that they would be paying in these other Provinces \$12.50 more a year on Personal Income Tax on the same income than they would be paying in the Province of Alberta.

The third, and even more important feature, is Sales Tax. We are the only Province in Canada that does not have a Provincial Sales Tax. The average today is around 5%. The average low-to-medium Income Tax family buys about \$2,500 worth of taxable goods every year. 5% on \$2,500 means that they pay in Sales Tax in these other

Provinces \$125.00 on this expenditure, which they do not pay at all in the Province of Alberta.

Now, let's add these up — we have \$125.00 Sales Tax saved to our people in this Province. They pay \$20.00 less a year gasoline tax. They pay \$12.50 less a year in Personal Income Tax. This adds up to \$157.50 less taxes paid by this family in our Province than they would pay if they lived elsewhere in Canada. When you remember that if they are living in a home with a market value of \$15,000, assessed at \$6,000 for tax purposes (which means that each mill means \$6.00 of taxes) this saving of \$157.50 is the equivalent of 26 mills savings to our people in this Province, as compared with the total tax burden of the people if they were living in other Provinces in Canada. When you add to that saving the 8 mills that they get by way of the Homeowner's Tax Discount, you will see that you have a difference here equivalent to 34 mills.

Ladies and Gentlemen, I call this to your attention because I think that in matters of this kind it is important that those who discuss the question of taxation be completely truthful and fair to the citizens of this Province. All I ask is that the people who discuss the tax picture in Alberta tell you the whole taxation story, and then let you, the people, decide which is the best Province in Canada in which to live, as far as Taxation and the burden of taxation is concerned.

Let me add one other point before we close tonight. I suppose it is because so many of these men aspiring to political positions in Alberta today have had no experience at all in public administration, that we hear them advocating things such as earmarking liquor revenues, or earmarking gasoline tax, and things of this sort, and ad-

vancing them as some brilliant new ideas. But, Ladies and Gentlemen, these are matters that we have analyzed and explored ten or fifteen years ago and discarded because they were completely valueless or impractical as far as any benefit to you, the people of Alberta, was concerned.

Let me add this one further thing. Any party, or any party spokesman who tells you that the Province could increase expenditures for Education, or for housing, or for any other matter that he wants to name, without increasing provincial taxation, is misleading you in something in which you should not be misled. As you know, we are now spending this year nearly \$80,000,000 more than the total revenues that are coming into the Provincial Treasury (we are drawing this from our reserves, as we have told you), and no matter how you juggle the figures, you simply cannot pay out any more money from the Public Treasury without increasing taxation in some form to provide the money to make those additional payments. Therefore, I suggest to you that it is most unfair for anyone to mislead people by saying 'if we were the Government, we would pick up two-thirds of the cost of Education — we would put up a lot of money for housing — we would do this, or we would do that' — (all of this would mean more Provincial expenditures) while at the same time, they try to imply to you that they could do this without increasing taxation — in fact, some of them are even trying to tell you that they could do these things, and at the same time lower your tax bill. This simply is not true, and I am opposed to your being misled in this way.