

# TELE-FACTS

Vol. 4

No. 3

## *Albertans Receive More and Pay Less*

AN ADDRESS BY  
**Hon. E. C. Manning**  
FEBRUARY 3, 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 P. O. BOX 2300  
EDMONTON, ALBERTA

**Hon E. C. Manning:**

Good Evening, Ladies and Gentlemen:

I would like to give you some facts and figures about Provincial revenues and expenditures. Perhaps we will be discussing these in the next two or three programs.

In managing the public affairs of a huge corporation such as the Province of Alberta, there are few matters more important to you, the shareholders, than the careful handling of your public funds. This is especially true today, when steadily rising costs of materials and services and constant demand for more and better services are pushing government expenditures to an all-time high. Unfortunately, there are those who think that if a government provides and pays for a service, this makes it a free service and therefore something to be desired. This is the great fallacy that socialists swallow hook, line and sinker, and repeat over and over again. The facts, of course, are very different.

No Provincial or Municipal government has any money which does not first come out of the pockets of the people themselves or from the development of natural resources which the people own. The Federal Government does have certain power to expand the nation's credit supply as the national production of the country increases. They may use the additional credit thus created to finance certain government expenditures, but this is a small part of the overall government financial requirements.

The great bulk of federal expenditures, all provincial, and all municipal expenditures, are paid for with money collected by the governments from the people themselves. Don't let anyone

tell you that there is any such thing as a free public service. If a service is free to one group of citizens, it is only because their fellow citizens are paying more in taxation to foot the bill and make the service available at no direct cost to that particular group. There is a proper place for this in our 20th century. It's a way in which those more fortunate can help those less fortunate and surely this is good and right.

What we must avoid is carrying this to such lengths that everyone thinks that the rest of society should provide him with everything he wants without any direct cost to him. This is the socialist-welfare state fallacy that leads to the stifling of individual initiative and corporate enterprise, which in turn, of course, means lowering the standard of living for everybody. Here, in Alberta, we've made an all-out effort to establish and maintain a proper relationship between individual and collective or public responsibility.

Those services, which by their nature, must be provided by society collectively, such as education, social welfare, highways, roads and so on, we have provided at levels among the best and highest in Canada. Every citizen in this Province who has a legitimate social need for which society as a whole should assume responsibility in whole or in part, can know that this responsibility will be acknowledged and discharged.

At the same time, there must be an equal recognition of individual responsibility. We've worked hard to build a society and an economy in which individual initiative and corporate enterprise are encouraged and given an opportunity to gain their just rewards. The results speak for themselves. It isn't by chance that Alberta has become the leading province in all Canada.

In all these matters, the careful administration of your public revenues and expenditures has played a vital and most important role. That's why in reporting to you as the shareholders in "Alberta Unlimited", I want to take the time to give you a factual report on how your financial affairs stand at the present time, and what the future prospects appear to be.

Before you look at the first chart, may I refer to a matter of public interest that has been drawn to my attention by a recent letter in the public press. It was written by a defeated N.D.P. Federal candidate, and it contains this sentence: "Many thinking farmers must surely have raised more than a questioning eyebrow when it was announced that the companies developing Alberta's power resources were to have some corporation taxes returned to them."

This, obviously, is a deliberate attempt to convey a false impression for political purposes. What your government has undertaken to do, is not what the letter writer implies at all. We have said that as and when the federal government rebates to the Province the corporation income tax they collect from investor-owned power companies in Alberta, we will pass the tax on to the companies, but only on the condition that the power companies pass the entire amount on to the users of electric energy by a reduction in power rates. There will be no benefit or advantage to the companies. The citizens of Alberta who are purchasers of electric power from the private power companies, will receive 100% of the tax rebate. This is not a big issue, but it's typical of the outright misrepresentation to which N.D.P. spokesmen constantly stoop.

Let's get on with more important matters. I want you to glance now at chart No. 1. This shows you the trend in provincial revenues and expenditures and public debt in this province. The white line indicates provincial expenditures; the black line, provincial revenues; and the dotted line at the bottom indicates the trend in the provincial public debt.

These revenue and expenditure projections were based on the estimates of the budgets. They vary slightly in actual experience, but I want you to notice that the provincial revenues and the provincial expenditures are now increasing at a very rapid rate. In fact, from 1961 to 1967, revenues have jumped from \$335 million to \$613 million a year. Expenditures in the same period jumped from \$335 million to \$682 million a year, or in other words, they are now in excess of the provincial revenues.

The next chart, No. 2, will give you a picture of how your public monies are divided among the different public services of Alberta. You will notice Education gets the lion's share, followed very closely by Health; then all of the other departments with the exception of Public Works and Highways, take up the next big chunk. Highways takes up over \$78 million, Public Works some \$134 million, Welfare about \$31 million. This is the way the total public expenditures were divided up by your legislature and government for the present year.

Look now at Chart No. 3. It gives you an idea of the sources from which other provincial revenues come. This is a very interesting chart. No other Province in Canada can produce anything like this. You notice that we get in this Province, from natural resources, \$256,937,550

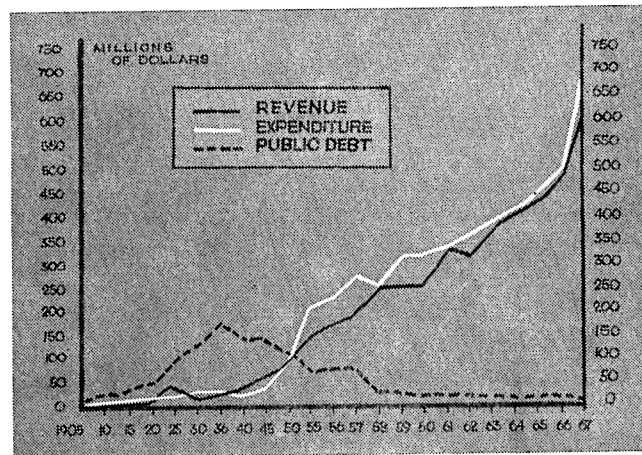


Chart No. 1

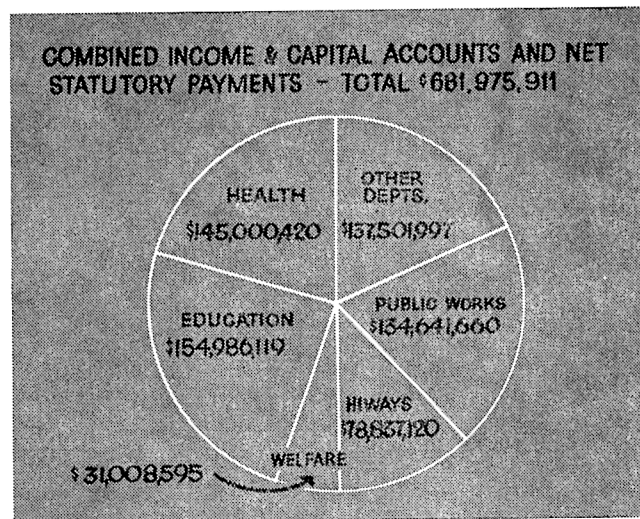


Chart No. 2



this year. This is about 42% of our total provincial revenues. We collect from income tax, (corporate and personal), about \$84,700,000; from all other sources (and this includes all the shared cost programs with the government of Canada), \$164,-000,000; in fuel oil tax and auto licenses \$63,889,-000; and about \$31.6 million from the Alberta Liquor Control Board.

The significant thing, Ladies and Gentlemen, is that here in Alberta we are collecting some 42% of our total revenue from the development of our natural resources.

I want you to see next the comparative position between our people as taxpayers in Alberta, and those in other provinces in Canada.

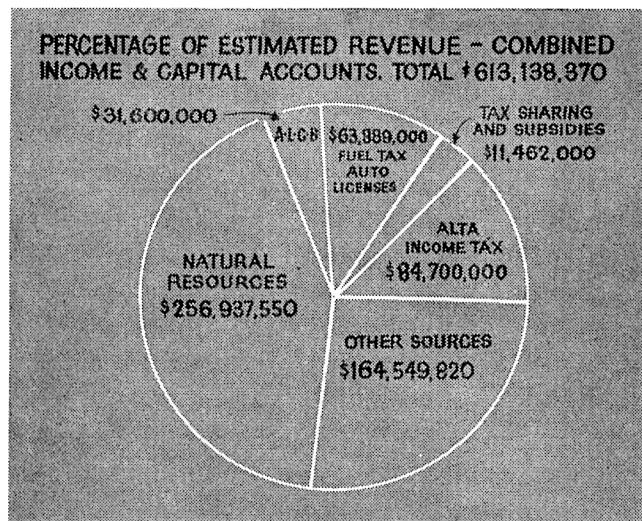


Chart No. 3

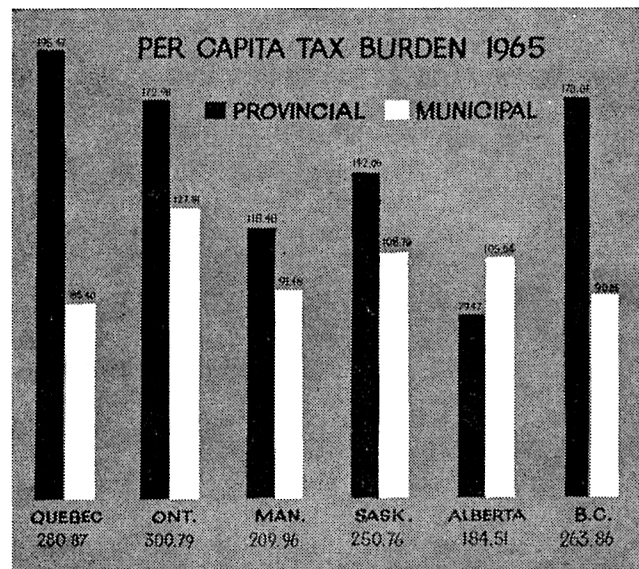


Chart No. 4

Here's a very interesting chart, No. 4. The dark lines indicate the amount of provincial taxation in each of the provinces named. The light line indicates the amount of municipal taxes.

You'll notice that in municipal taxes the highest is in Ontario, the second highest is in Saskatchewan, the third highest in Alberta, the fourth highest in Manitoba, the fifth highest in British Columbia and the sixth highest in Quebec. If you look at the dark line, you will see that provincial taxes are the highest in Quebec, the Province of British Columbia is second, Ontario third, Saskatchewan fourth, Manitoba fifth, and our own Province of Alberta sixth.

You must remember, that it is the same people who pay the municipal and provincial taxes, so to really see what the tax burden is, and how it compares between provinces, you must add together the provincial and municipal taxes. When you do this, you get the figures that appear at the bottom of the chart.

You'll notice that the highest is the Province of Ontario, where the combined tax is \$300.79 per capita. Quebec is second with \$280.87 per capita. Then comes British Columbia with \$263.86 per capita, followed by Saskatchewan with \$250.76 per capita; then Manitoba \$209.96 per capita; and then comes our own Province of Alberta with only a combined provincial-municipal tax of \$184.51 per capita.

Here are a couple of interesting facts before we leave this. The Provincial tax alone in the Province of Quebec is more than the combined provincial and municipal tax in Alberta. If you take the combined tax in Ontario and compare it with the combined tax in Alberta, the people of Ontario are paying \$116.28 per capita more than we are paying in our province. This means you could double municipal taxes in Alberta and our people would still pay \$11.24 per capita less in total than they pay in Ontario; or you could double the provincial taxes in Alberta and our people would still pay \$36.81 less than they are paying in the Province of Ontario.

What is the reason? It is because we are getting so much revenue for you from the development of your natural resources in your interest.

Next week I want to give you some further breakdowns of revenues and expenditures. I want you to see the trends because, frankly today

they are serious, and then I want to get your views as to where we should look for additional revenues, as and when it is necessary, or if it becomes necessary, to provide something more in the way of revenue in this Province in the days ahead.