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The Importance of Natural Resources

AN ADDRESS BY

Hon. A. O. Aalborg

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Hon. E. C. Manning:

Good Evening, Ladies and Gentlemen:

In recent days, you have read and heard considerable about the Budget for the coming year, which your Provincial Treasurer, the Hon. Mr. Aalborg, outlined to the Legislature on February 17th.

There are two things about the Budget which you will all welcome. In the first place, no new taxes are being imposed in Alberta; and secondly, while we will face a deficit again this year, there will be no direct borrowing of money by your Province. The deficit will be met out of the reserve funds which we have carefully built up for this very purpose.

I have asked the Hon. Mr. Aalborg to join me tonight, so that he may report to you, first hand, the highlights of your Provincial Budget for the coming year. Let's get right down to business. Mr. Aalborg, we have seen tremendous growth in the annual Budgets of this Province, reflecting the sound development that has taken place in our economy, and the progressive programs we have implemented to encourage that progress and provide Albertans with the best possible facilities and services. Your Budget for the coming year is about forty times our first Budget of thirty-one years ago. Perhaps you would like to say something to our viewers about this matter of the tremendous growth that has taken place.

Hon. A. O. Aalborg:

Premier Manning, and Ladies and Gentlemen:

I believe the growth in our Budgets can best be illustrated by having a look at a series of graphs which I have prepared for this program.

**Alberta Budget
1967 - 68**

\$834,000,000

\$241,000,000



The first one shows the size of the Budget for the year ahead, 1967-68, and as will be noticed, the total amount of this Budget is \$834,000,000. Of this amount, \$241,000,000 will be obtained from the development of natural resources (natural resources revenues), and the balance of the revenues to meet this record budget will be obtained from other sources.

As we have said, the Budget for the year ahead is over 40 times the Budget for the fiscal year 1937-38, just thirty years ago.

**Alberta
Budget
1937 - 38**
\$21,000,000



If we have a look at the graph for the fiscal year, we will see that the total of the Budget in 1937-38 was \$21,000,000, and that revenues from natural resources played only a very small part in this Budget.

**Alberta
Budget
1947 - 48**
\$51,000,000
\$1,000,000



If we look ahead from 1937-38 for ten years, in other words, twenty years ago, we will see that the Budget had then grown to \$51,000,000, and that \$1,000,000 was derived from natural resources revenues.

It is rather interesting that in 1947-48 more than half of the \$1,000,000 was derived from coal royalties, rather than royalties from oil and gas.

Alberta Budget 1957 - 58
\$245,000,000



Ten years ago, in 1957-58, the Budget had risen to the very large figure of \$245,000,000, and now natural resources revenues accounted for almost one-half of this Budget — a figure of \$114,000,000.

This illustrates the tremendous importance of natural resources revenues, and the extent to which they had developed during that ten-year period.

Looking ahead for five years, to 1962-63, (five years ago), the Budget had then risen to \$355,-



Alberta Budget 1962 - 63 \$355,000,000

000,000, which is something less than one-half of the Budget for the current year; and five years ago, it will be seen that \$116,000,000 was obtained from natural resources revenues.

This brings us back to where we started, to the fiscal year 1967-68, where we can see that we now have a record Budget for the year ahead, with natural resources revenues playing an important part, but perhaps not quite as large a role percentagewise as was the case five years and ten years ago.



Alberta Budget 1967 - 68

\$834,000,000

Hon. E. C. Manning:

I think perhaps, Mr. Aalborg, it would be interesting if you said something to our viewers about the major expenditures you have provided for in the Budget this year, and the priorities that you have given to the services of the people of this Province.

Hon. A. O. Aalborg:

Premier Manning, the Budget for the year ahead demonstrates very clearly that the Government attaches a very high priority to the development of human resources, as shown in the proposed expenditures for the Departments of Education, Health and Welfare. If we look at these proposed expenditures, we will see that the Department of Education will be allotted nearly \$208,000,000 for the year ahead — an amount which is close to all of the ordinary operational expenditures of the Government in 1958-59, which in that year were something close to \$205,000,000. Of the amount which has been allocated to Education, there will be an additional \$20,000,000 for the Foundation Program of school finance. Finally, in education, the amount appropriated for the year ahead is about \$40,000,000 more than it was last year. Turning quickly to Health, we find that the appropriation for the year ahead will total about \$169,000,000, which is \$16,000,000 more than for the present year, and interestingly enough, it approaches the total figure for all ordinary expenditures of the government in 1957-58, which stood at about \$173,000,000. The Department of Public Welfare will spend approximately \$56,000,000 during the next year, or about \$5,000,000 more than during the current year. In all of this, it should not be forgotten that the

Department of Highways will be spending about \$90,000,000 more than during the past year, which includes many interesting increases and new features for the year ahead. All of this emphasizes the high priority which the Government attaches to the development of human resources.

Hon. E. C. Manning:

Certainly no-one could truthfully say that this Province and its Government is not making very proper provision for these great needs in these essential fields of Education, Public Health, Welfare, as well as the physical facilities, which, as you say, are represented by Highways and Public Works.

In the Budget that you brought down, Mr. Aalborg, there are a number of new features that I think our people would find very interesting. How would it be if you would say a few words about those?

Hon. A. O. Aalborg:

Well, Premier Manning, I think there would be no difficulty in devoting the remaining portion of this Tele-Facts program to the new features that are in the Budget. However, I shall endeavour to hurry along and touch on only three or four of the highlights of the new features that we find in this Budget. In the first place, the Budget contains a measure of tax reduction in the proposed program to relieve the estates of bona fide residents of Alberta of the 75% Provincial share of the Estate Tax. As many of our viewers will remember, the 1966 session of the Legislature passed a resolution requesting the Government to introduce such a measure. It is provided for

in the Budget for the year ahead. Commencing with the next fiscal year, which starts on April 1st, the Government proposes to introduce a system rebating the Provincial share of the Estate Tax. We have been assured of the co-operation of Federal officials in administering this program, and we think that it is one of the outstanding new features of the Budget for next year.

Then, in association with the development and conservation of human resources, the Budget makes provision for the establishment of a Human Resources Council to go into many areas and fields in which we need to have more and more complete information about the program of developing the human resources of the Province.

As a third new feature, I think we should also mention that there will be a new fund established in the amount of \$5,000,000, which will be added to from year to year, and which will make it possible for the Provincial Government to loan to municipalities, particularly the large urban municipalities such as Edmonton and Calgary, the monies which they require in order to make advance purchase of right-of-way for freeways and thoroughfares. This problem has been brought to our attention during the past two years by these cities, and the fund is established to make it possible to have land acquired in advance for these very important new facilities.

Finally, there is another fund of \$5,000,000 which is established for urban renewal projects throughout many municipalities of the Province.

There are other features which might be mentioned, but it seems to me that these four — the rebate of the Provincial share of the Estate Tax, the establishment of the Human Resources

Council, the funds for advance acquisition of lands, and new and additional funds for urban renewal — are among the highlights.

Hon. E. C. Manning:

These political critics who say the Budget is just 'more of the same thing', apparently haven't read the Budget very carefully because these important matters you have just mentioned are entirely new programs for this Province, and incidentally, programs that again keep us away ahead of the rest of Canada.

Would you like to make a few observations on the general implications of this Budget to the people of Alberta, Mr. Aalborg? In other words, what is this going to mean in the program this Budget provides for the people of Alberta in the year ahead?

Hon. A. O. Aalborg:

The general conclusion that I would draw first is that this Budget will mean that the people of our Province will continue to have a program of Government services and projects which will require the highest per capita expenditures of any Province in Canada if we combine the Provincial and Municipal expenditures for these purposes. It will also mean that we can have these expenditures with the lowest per capita tax burden of any Province in Canada.

I might also add that the program which we have in this Budget — the provision for human resources development, the provision for the continued and orderly development of our physical resources and physical facilities, the program for continuing to accelerate development in the North-

ern areas of the Province through the Northern Development Council and pushing ahead with the Alberta Resources Railway — all of these things indicate that the faith of the Government in this Province and its people is unshakeable, and that we have every confidence that this great Province will continue to enjoy a very bright future during the second century of Confederation.

Hon. E. C. Manning:

Thank you, Mr. Aalborg. You know, I cannot help but think that the political criticisms that you hear of a Budget are so obviously political. If you talk to the average citizen, the average businessman, and outline these matters that you have outlined to our viewers, to them, you will find that, without regard to whatever their party politics may be, they are in agreement that these things are sound, progressive and constructive. Unfortunately, people in opposition political parties seem to feel obligated to find something to criticize, even when at heart they know that the program is good for the Province and something of which we can all be proud.

I hope you have enjoyed the information which Mr. Aalborg has given you tonight. It isn't an easy thing to prepare a Budget this size. He has done a tremendous job.