

Recycled Misinformation

Dear Editor,

Re: “A pox on the PST”, *Calgary Herald* Editorial page A9, September 28, 2013. As part of your rebuttal of Jack Mintz’s proposal for an Alberta harmonized sales tax (provincial sales tax (PST) as you call it), you reiterate the tired statistic that operating grants to the Alberta post-secondary system have increased by 45.9% over the past ten years. This figure you also quoted in your “Degree of common sense” Editorial of June 1, 2013, and is one which the Minister of Enterprise and Advanced Education often trots out, as well.

At the time of your original article on June 1, 2013, I pointed out to you in a letter (which you never published) that Statistics Canada data indicated a growth of 46.7% in student numbers in the Alberta post-secondary system over the same period, accompanied by an increase in the Consumer Price Index (also Statistics Canada data) of 21.4% over a similar period. Maybe this time you will publish this letter, to balance the account, and redress the misinformation you are printing in your newspaper for your readers. Against these other two statistics, one can start to see why the 45.9% increase you enthusiastically present is not so opulent after all.

Your article also makes much of how it is a spending problem which exists in Alberta, not a revenue one. However, anyone who has lived in Alberta for any length of time knows well that our dependence on volatile natural resource royalties for revenue is a major source of the Government’s revenue problem. Earlier this year, Premier Redford acknowledged this herself when the issue of a Provincial sales tax was mooted by a number of policy advisors, including Professor Mintz, when meeting with politicians. So, it is a bit disingenuous for Municipal Affairs Minister Doug Griffiths to claim that “there has not been one discussion of a sales tax”.

As you do observe in your September 28, 2013 Editorial, there is a lot of demand for public services, and the provision of these is expensive, so expenditures do tend to escalate over time. Note also, of course, the population report of Statistics Canada this week, which places the national population at over 35M, an increase of 32.4% over the past thirty years. In contrast, the population of Alberta grew by 50.8% over the same period. With prices having risen (as measured by the Consumer Price Index) by 110% over the same period, one starts to see why spending on services might rise over time, when taking a wider view of the things which actually matter, relative to that spending.

*Dr. Christopher J. Nicol, Professor of Economics,
University of Lethbridge,
September 29, 2013.*