

Alberta's Citizens' (Credit) Dividend *by Gerry Shaw*

It's a Georgist dream that one day Local, Regional or National jurisdictions will receive or recover so much of the Economic Rent (ER) from the wealth produced within their boundaries that it will more than cover the costs of essential public services and programs. That would make possible the ideal public policy: to abolish all taxes, and to distribute the excess ER equally to all qualified citizens.

This is a report of how far the Province of Alberta, Canada, has progressed toward that ideal. A thorough analysis would include ER arising from economic activity that involves both surface and sub-surface resources. However, this historical review deals exclusively with the funds that accrue to the province's coffers from the production of its sub-surface or non-renewable resources (NRR); which, in Alberta's case are crude oil, natural gas and coal.

Many aspects of this account will sound familiar to those informed about Alaska's Permanent Fund which has distributed cash "Citizen's Dividends" annually since 1982.

Albertans point with pride to the province's record of lower taxes and unemployment as well as higher average disposable incomes, and gross domestic product than the other provinces — spun by local boosters as "The Alberta Advantage". Since all Canadian provinces produce oil, gas, coal and/or gold as well as a variety of base metals, two obvious questions arise about that "advantage": why is the amount of ER obtained from NRR in Alberta so large vs. the others; and, how does it actually benefit citizens?


To provide the answers, it is helpful to review Canada's policies regarding rights to NRR.

Here, briefly, are the important milestones in the development of today's public policies. Some great statesmen made key decisions that have kept most of the NRR of the area now called Alberta in the public domain.

The first milestone followed Canada's Confederation in 1867. The huge area north of the US border between the Rocky Mountains and Upper Canada (now Ontario) became known as Canada's Northwest Territories. However, most of it was encumbered by England's King Charles II grants in 1670 to the Hudson Bay Company. Canada's Federal Government was anxious to settle the west to confirm sovereignty; and, in 1869 convinced the Hudson Bay Company to surrender the English land patent and accept a reduced holding of land (including minerals) in a widely dispersed checkerboard of 480- and 640-acre parcels. About 2.5% of Alberta's future lands were included in that transaction.

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(continued from page 35) Alberta's standard lease agreement and the province's political, regulatory and financial stability.

Albertans also generally accept and support the common ownership of the province's NRR. Unfortunately, though, most fail to recognize the parallel benefits of recovering the ER from the holders of the province's surface or renewable resources: "the land under their feet". It seems obvious however, that the combination of ER from both RR and NRR resources would bring all Albertans to the Georgist ideal. 




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(continued from page 31) as described in Robert De Fremery's "Rights vs. Privileges", amounts to a replacement of empty, debt-created money with sound, government-issued currency.

C) Institute mandatory monetary expansion rules, to avoid deflation.

D) Ultimately this becomes constituted as a fourth branch of government — a monetary branch. The nature of society requires four branches of government, not three.

From this point on, a true science of money, and then a much altered science of economics, will develop. We will have to learn much of that part, and society will use Aristotle's method: it will learn by doing. 



Mark Sullivan, Jeff Smith, Laurie Gallant and Ted Gwartney