



NEWS RELEASE

Most Canadians Believe Their Province is Putting More Money into Confederation than it Gets Out.

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More than half of Canadians (51%) believe that their province is putting more money into Confederation than it is getting out – and just 17% disagree. The feeling is strongest in two provinces – Alberta and Ontario – where the fiscal balance with Canada has been the subject of fierce debate in recent months.

In Alberta, which has been enjoying a fiscal windfall from higher oil and gas prices, a whopping 70% of respondents agree the province is giving more than its share. Only 7% disagree. “We have been tracking this sentiment regularly for the last decade,” said Frank Graves, President of EKOS Research Associates, “and this is the highest level of dissatisfaction with the fiscal balance we have ever seen in Alberta or anywhere else.”

Although feelings on this issue have hit a new peak in Alberta, they have always run quite high. In Ontario, in contrast, the level of unhappiness with the fiscal balance has tended to wax and wane. At the moment they are back up near their historic peak. “We are now seeing Ontarians expressing concern about their contributions to the country as a whole at levels we had not seen for a decade,” said Graves. “No doubt this is related to [Ontario Premier] Dalton McGuinty’s campaign to get Ottawa to increase federal transfers to his province.” 55% of Ontarians say that their province is putting more into Confederation than it gets out, compared with 11% who say the opposite.

Graves noted that the last time such dissatisfaction seemed so widespread across the country was in the mid-1990’s when Ottawa’s huge deficits resulted in a wave of cutbacks in services as well as transfers to the provinces and individuals. Since then, Ottawa’s fiscal situation has dramatically changed, so that spending has increased and the tax burden has moderated. In that context, then, it is startling to see that Canadians who believe their province is a net loser outnumber those who think it is a net winner by a three-to-one margin.

OTTAWA OFFICE

99 Metcalfe Street, Suite 1100
Ottawa, Ontario K1P 6L7
T: 613.235.7215
F: 613.235.8498

TORONTO OFFICE

480 University Avenue, Suite 1006
Toronto, Ontario M5G 1V2
T: 416.598.8002
F: 416.598.2543

EDMONTON OFFICE

9925 109th St. NW, Suite 606
Edmonton, Alberta T5K 2J8
T: 780.408.5225
F: 780.408.5233

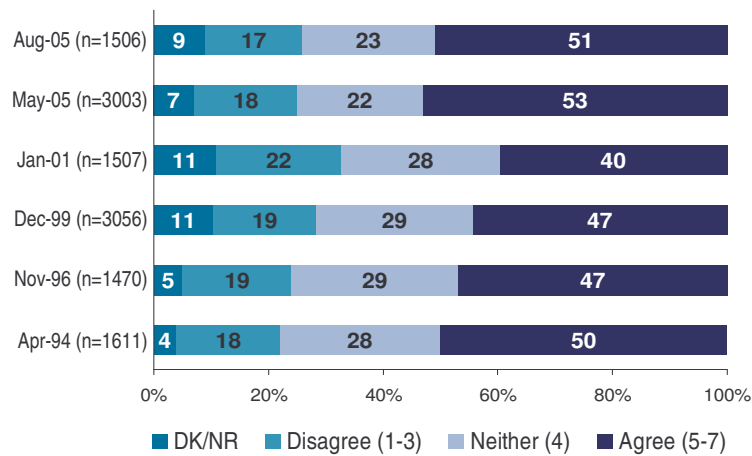
“Such a pervasive sense of being short-changed does not augur well for the health of federalism,” Graves said.

Remarkably, the dissatisfaction extends to areas of the country that have historically been net recipients of federal dollars, though the feeling is not as profound as it is in Ontario and Alberta. In Atlantic Canada, 45% of respondents say that their province was putting more into Confederation than it was getting out, compared with 34% who disagree. In Quebec, twice as many people (44%) believe they are net contributors as take the opposite view (22%).

The poll was conducted by EKOS between August 2 and August 16. 1,506 Canadians were interviewed. The results are valid within a margin of error of plus or minus 2.5 percentage points, 19 times out of 20.

Perceived Equity of the Confederation

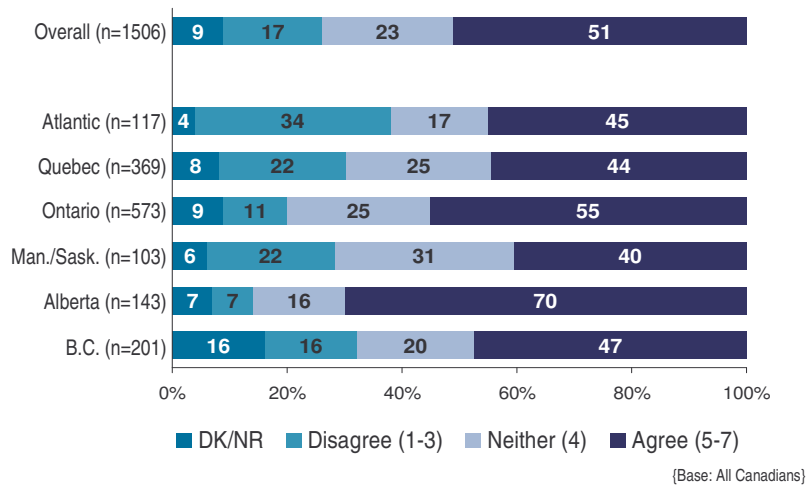
“My province puts more money into the Confederation than it gets out”



[Base: All Canadians]

Perceived Equity of the Confederation by Region

“My province puts more money into the Confederation than it gets out”



Perceived Equity of the Confederation -- Major Provinces

“My province puts more money into the Confederation than it gets out”

