

# Open letter to Ralph Klein

January 24, 2001

Hon. Ralph Klein

Premier of Alberta

Dear Premier Klein:

Re: *The "Alberta Agenda"*

**D**uring and since the recent federal election, we have been among a large number of Albertans discussing the future of our province. We were not dismayed by the outcome of the election so much as by the strategy employed by the federal government to secure its re-election. In our view, the Chrétien government undertook a series of attacks not merely designed to defeat its partisan opponents, but to marginalize Alberta and Albertans within Canada's political system.

One well-documented incident was the attack against Alberta's health care system. To your credit, you vehemently protested the unprecedented attack and the federal government launched against Alberta's policies — policies the Prime Minister had previously found no fault with.

However, while your protest was necessary and appreciated by Albertans, we believe it is not enough to respond only with protests. If the government in Ottawa concludes that Alberta is a soft target, we will be subjected to much worse than dishonest television ads. The Prime Minister has already signalled as much by announcing his so-called "tough love" campaign for the West.

We believe the time has come for Albertans to take greater charge of our own future. This means resuming control of the powers that we possess under the Constitution of Canada but that we have allowed the federal government to exercise. Intelligent use of these powers will help Alberta build a prosperous future despite a misguided and increasingly hostile government in Ottawa.

Under the heading of the "Alberta Agenda," we propose our province move forward on the following fronts:

1. Withdraw from the Canada Pension Plan to create an Alberta Pension Plan offering the same benefits at lower cost while giving Alberta control over the investment fund. Pensions are a provincial responsibility under Section 94A of the Constitution Act, 1867; and the legislation setting up the Canada Pension Plan permits a province to run its own plan, as Quebec has done from the beginning. If Quebec can do it, why not Alberta?
2. Collect our own revenue from personal income tax, as we already do for corporate income tax. Now that your government has made the historic innovation of the single-rate personal income tax, there is no reason to have Ottawa collect our revenue. Any incremental cost of collecting our own personal income tax would be far outweighed by the policy flexibility Alberta would gain, as Quebec's experience has shown.
3. Start preparing to let the contract with the RCMP run out in 2012 and create an Alberta provincial police force. Alberta is a major province. Like the other major provinces of Ontario and Quebec, we should have our own provincial police force. We have no doubt Alberta can run a more efficient and effective police force than Ottawa can — one that will not be misused as a laboratory for experiments in social engineering.
4. Resume provincial responsibility for health care policy. If Ottawa objects to provincial policy, fight in the courts. If we lose, we can afford the financial penalties Ottawa might try to impose under the Canada Health Act. Albertans deserve better than the long waiting periods and technological backwardness that are rapidly coming to characterize Canadian medicine. Alberta should also argue that each province should raise its own revenue for health care — i.e., replace Canada Health and Social Transfer cash with





tax points, as Quebec has argued for many years. Poorer provinces would continue to rely on equalization to ensure they have adequate revenues.

5. Use Section 88 of the Supreme Court's decision in the Quebec Secession Reference to force Senate reform back on to the national agenda. Our reading of that decision is that the federal government and other provinces must seriously consider a proposal for constitutional reform endorsed by "a clear majority on a clear question" in a provincial referendum. You acted decisively once before to hold a senatorial election. Now is the time to drive the issue further.

All these steps can be taken using the constitutional powers Alberta possesses. In addition, we believe it is imperative for you to take all possible political and legal measures to reduce the financial drain on Alberta caused by Canada's tax and transfer system. The most recent Alberta Treasury estimates are that Albertans transfer \$2,600 per capita annually to other Canadians, for a total outflow from our province approaching \$8-billion a year. The same federal politicians who accuse us of not sharing their "Canadian values" have no compunction about appropriating our Canadian dollars to buy votes elsewhere in the country.

Mr. Premier, we acknowledge the constructive reforms your government made in the 1990s — balancing the budget, paying down the provincial debt, privatizing government services, getting Albertans off welfare and into jobs, introducing a single-rate tax, pulling government out of the business of subsidizing business, and many other beneficial changes. But no government can rest on its laurels. As economic slowdown, and perhaps even recession, threatens North America, the government in Ottawa will be tempted to take advantage of Alberta's prosperi-

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## IT IS IMPERATIVE TO BUILD FIREWALLS AROUND ALBERTA

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ty, to redistribute income from Alberta to residents of other provinces in order to keep itself in power. It is imperative to take the initiative, to build firewalls around Alberta, to limit the extent to which an aggressive and hostile federal government can encroach upon legitimate provincial jurisdiction.

Once Alberta's position is secured, only our imagination will limit the prospects for extending the reform agenda your government undertook eight years ago. To cite only a few examples, lower taxes will unleash the energies of the private sector; easing conditions for charter schools will help individual freedom and initiative improve public education; and greater use of the referendum and initiative will bring Albertans into closer touch with their own government.

The precondition for the success of this Alberta Agenda is the exercise of all our legitimate provincial jurisdictions under the Constitution of Canada. Starting to act now will secure the future for all Albertans.

Sincerely yours,

*Stephen Harper, President, National Citizens' Coalition; Tom Flanagan, Professor of Political Science and former Director of Research, Reform party of Canada, Ted Morton, Professor of Political Science and Alberta Senator-Elect; Rainer Knopff, Professor of Political Science; Andrew Crooks, Chairman, Canadian Taxpayers Federation; Ken Boessenkool, Former Policy Adviser to Stockwell Day, former Treasurer of Alberta.*

PS: This letter represents our personal views and not those of any organizations with which we are or have been connected.