



Stephen Harper

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—STEPHEN HARPER

COVER STORY

Alberta first

Six prominent citizens deliver a manifesto calling for provincial autonomy

by KEVIN MICHAEL GRACE

Albertans are not the wealthiest Canadians, but they are the biggest contributors to the cost of confederation. According to Alberta Treasury estimates, every man, woman and child paid a net fee of \$2,905 for the privilege of being Canadian in 2000. For a family of four, that amounts to \$11,620. The federal government has taken almost \$200 billion out of Alberta in the last 30 years. *Not that the Liberals are grateful*—Prime Minister Chretien says the province needs “tough love.” Well, push has come to shove, and a group of six prominent citizens has declared that Alberta is no longer content to be the cow milked by Ottawa to feed Quebec and Atlantic Canada.

The six—Stephen Harper, president of the National Citizens' Coalition (NCC); Tom Flanagan, University of Calgary political science professor; Ken Boessenkool, former policy adviser to former treasurer Stockwell Day; Ted Morton, University of Calgary political science professor and Alberta senator-elect; Andrew Crooks, chairman of the Canadian Taxpayers Federation; and Rainer Knopff, University of Calgary political science professor—published an open letter to Premier Ralph Klein on January 24: “Re: The Alberta Agenda.” It is nothing less than the opening salvo

in a campaign to make Albertans “masters in their own house.” (The text is available on *The Report's* Web site, report.ca/.)

The letter begins, “During 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 Chretien 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.”

During the campaign, Mr. Chretien said he preferred working with easterners because westerners are “different.” Immigration Minister Elinor Caplan said that Canadian Alliance supporters—i.e., a majority of Albertans and British Columbians—are “Holocaust deniers, prominent bigots and racists.” A Liberal attack ad implied falsely that Alberta's Bill 11 had gutted medicare and that the Alliance planned to do the same nationwide. The Gang of Six may not have been dismayed by the election result, but many in the West concluded that it proved the East would never accept a western-led political party. The result has been a swelling feeling of rage and



Ken Boessenkool

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—FROM 'THE ALBERTA AGENDA'

the rebirth of western separatism. (See story, page 15.) The rage intensified after Mr. Chretien's post-election comments that Albertans could thank Ottawa for their prosperity and that Albertans, like Quebecers, needed an emissary from Ottawa to correct their bad attitude.

The Gang of Six does not advocate secession. In a December 8 piece in the *National Post*, Mr. Harper argued, "We should not mimic Quebec by lunging from rejection into the arms of an argument about separation. As that province has shown, separation will simply divide our population in a symbolic debate while, still part of the country, it isolates us from any allies." The Alberta Agenda proposes a middle course between separation and the status quo: "the exercise of all our legitimate provincial jurisdictions under the Constitution of Canada."

Specifically, it calls for the Alberta government to:

- "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."
- "Collect our own revenue from personal income tax, as we already do for corporate income tax."
- "Start preparing to let the contract with the RCMP run out in 2012 and create an Alberta provincial police force."
- "Resume provincial responsibility for healthcare 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."
- "Use Section 88 of the Supreme Court's decision in the Quebec Secession Reference to force Senate reform back on to the national agenda."

The first three conditions already exist in Quebec. Collecting personal income tax would not save money but would allow Alberta to create a provincial tax tailored exactly to its specifications. Creation of a provincial police force would not save money either, but it would protect Alberta from the depredations of federal laws such as Bill C-68, the gun registry. Opting out of the

Canada Health Act would cost up to \$700 million, quite feasible for a province that is reporting a surplus of \$7 billion.

The letter urged Mr. Klein to build "firewalls" around Alberta, warning, "As economic slowdown, and perhaps even recession, threatens North America, the government in Ottawa will be tempted to take advantage of Alberta's prosperity, to redistribute income from Alberta to residents of other provinces in order to keep itself in power." In other words, a new National Energy Program or an even more aggressive transfers policy.

Mr. Klein responded at a January 29 news conference that the Alberta Agenda is "worthy of consideration." He added, however, "Those are major policy changes and they just don't happen overnight." He admitted, "It is quite obvious that we do more than our fair share in terms of sending money to Ottawa to assist through the equalization program the so-called have-not provinces," he said. This was quite a change from the position he took last year after then-Newfoundland premier Brian Tobin accused him of resenting equalization payments to the have-nots. Then Mr. Klein insisted that Albertans were "caring" and "sharing." Now the premier's office has released details of unfair treatment by Ottawa.

Eastern reaction to the Alberta Agenda was contemptuous. Typical was *Toronto Star* columnist Richard Gwyn, who, like Mr. Chretien, considers Alberta and Quebec morally equivalent. He characterized western alienation as a "non-starter," and "somewhere between adolescent attention-getting and a way of getting through the long winters" and the open letter as an "intellectually bankrupt search for outside enemies."

A non-starter? Not according to a January 29 COMPAS poll, which revealed that Alberta is more alienated than Quebec. Only 7% of Albertans supported separation (37% in Quebec); but 47% supported a constitutional limit on equalization; 75% said they have little say in federal spending decisions (62% in Quebec); and 43% said they are more dissatisfied with Canada than

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Ted Morton



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five years ago (38% in Quebec).

Robert Mansell, the man who has done more than anyone to demonstrate how much more Alberta pays into Canada than it gets back, says he does not extrapolate any political opinions from his data. But the University of Calgary economics professor is passionate in his denunciation of the attempt to equate Alberta with Quebec. "Studies have consistently shown that if Canada broke up, Alberta would gain and Quebec would lose," he points out.

(According to Statistics Canada, Quebec got \$5.9 billion more than it paid out in 1998, a per capita benefit of \$797. Other winners were Saskatchewan (\$1,657 per capita), Manitoba (\$2,288), New Brunswick (\$3,607), Nova Scotia (\$4,382), Prince Edward Island (\$4,774) and Newfoundland (\$5,982). Other losers were British Columbia (-\$564) and Ontario (-\$1,559).)

"Every place where there's the possibility of rigging [the system] so you get as much out of Alberta on a net basis as you can, that's what Ottawa does," Prof. Mansell says. "Employment Insurance takes a massive amount out of Alberta. In discretionary federal spending Alberta (and B.C.) get screwed. When they reduced the tax for large corporations everybody got the benefit except the energy sector—Alberta is getting screwed again. How is it that Ontario has a higher per capita income and four times the population, yet Alberta ends up paying far more?"

To the argument that the current have-not eastern provinces bailed out the West during the 1930s, Prof. Mansell responds, "Yeah, right. Prior to the 1960s there were very few of these federal transfers. So what are they talking about? Some charity that may have happened, with no records, during the Depression? That's very nice, but how does it compare with the almost \$200 billion in net outflows [from Alberta] over the last 30 years?"

Mr. Harper says that according to central Canada, "The proof that Alberta contributes more is proof that Alberta has money that it shouldn't have in the first place. Every benefit that Alberta has is attributed to the fact that Alberta

has oil." He counters, "Alberta has the wealth it has because of what it has done with its resources.

Saskatchewan has an abundant resource base and has managed to take that and turn itself into not just a have-not province but one with no long-term prospects of growth whatsoever through a long-term series of government policies that drove industry after industry out and replaced them with incompetent crown corporations."

"The reaction to our letter validates everything in it," Mr. Harper declares. "I think to some degree the central Canadian Liberal establishment is frightened by what we're saying. They must try and denounce the debate itself because they have no reply." He concludes, "Confederation is not about sharing with this part of the country; Confederation is about taking. If it was necessary for the flow to go the other way, the system would break down."

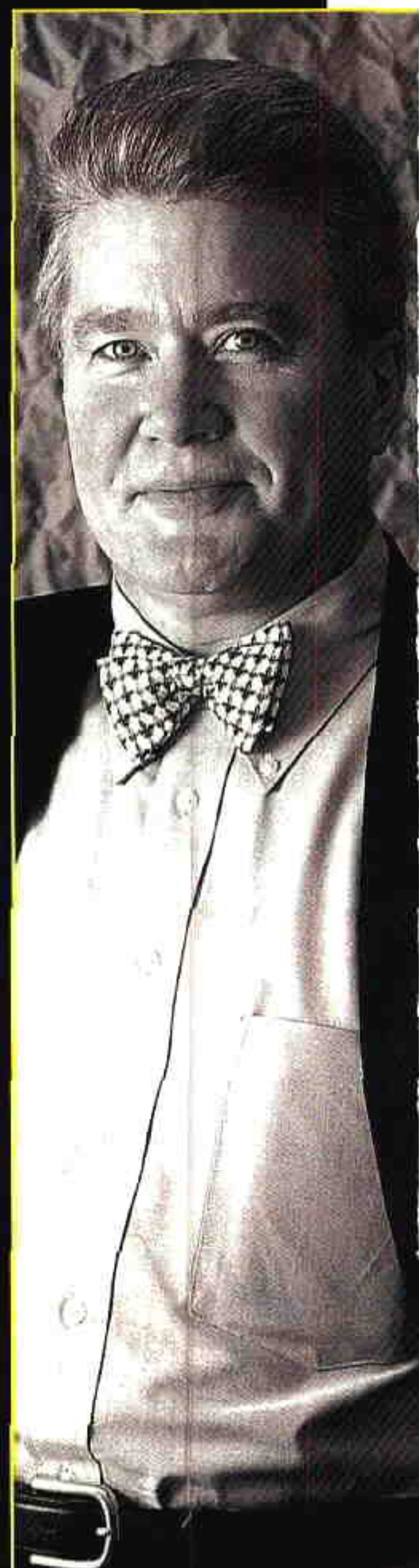
Tom Flanagan agrees. "I've increasingly become aware that the structure of Confederation has become a kleptocracy," he says. "What is the federal government doing for us? Is it protecting us from the Russians? No, the Americans defend us. Does it provide a stable currency? No, we have a 66-cent dollar. It's become intrinsic to the system that governments stay in power by transferring money from some parts of the country to other parts of the country in order to buy votes."

This is not a new opinion. The Reform Party was founded precisely to fight this inequity. And three of the Gang of Six have been intimately involved with Reform: Mr. Harper was an MP, Prof. Flanagan was policy director and Prof. Morton is a Reform Party senator-elect. So does their decision to concentrate on provincial politics constitute an acknowledgement that Reform and its successor, the Canadian Alliance, have failed?

Prof. Flanagan responds, "Well, the [open letter] represents a realistic appraisal of the Alliance's chances of coming to power. I don't think it represents loss of support for the Alliance; I certainly continue to support it. But you'd have to be a moron not to see that the chances of

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Andrew Crooks

the Alliance winning soon are not very great. But this isn't really abandoning federal politics; it's opening another front."

Mr. Harper warned in his December *National Post* piece, "Separation will become a real issue the day the federal government decides to make it one." Prof. Flanagan declines to comment on whether Alberta should threaten separation if Ottawa refuses to reform the equalization system or acts to frustrate the Alberta Agenda. He says it would be unrealistic to expect much from Premier Klein, as his re-election campaign was fully planned before the letter was released. However, "Mr. Klein is driven very much by public opinion. If he starts to hear Albertans say these things, he might move. But Mr. Klein won't

be around forever. Most people think this might be his last term."

NCC president Harper reports, "At the National Citizens' Coalition we are determined to establish an organization after the election to take direct political action in Alberta. It will have ambitious goals. I can't elaborate: it won't be a political party, but it will be a party to mobilize Albertans behind this agenda."

So does Steve Harper aspire to succeed Ralph Klein? "They're definitely up to something," says Lethbridge

"I've increasingly become aware that the structure of Confederation has become a kleptocracy."

—TOM FLANAGAN

Back to square one

Nineteen years ago this month Gordon Kesler of the Western Canada Concept (WCC) was elected to the Alberta Legislature in a by-election in Olds-Didsbury. Suddenly, western alienation was a real threat to the establishment. It did not last long. By the end of the year, Mr. Kesler was out of office. And by 1987, western alienation had been subsumed into the nascent Reform Party.

In 1980, the newly re-elected Pierre Trudeau announced the National Energy Program (NEP). This, in the words of Victoria lawyer Doug Christie, "effectively expropriated western Canada's oil resources." It was a declaration of war.

The NEP "destroyed thousand and thousand of jobs," says Edmonton lawyer Bob Matheson. "It virtually destroyed me. I had spent 30 years building up my position as a lawyer acting for the oil and gas industry. My practice was devastated. Property values plummeted, and I've never gotten back to where I was then."

Ironically, Mr. Matheson had been exploring western independence since 1975, when he and others established the Independent Alberta Association. That year Mr. Christie wrote a famous letter to the *Victoria Times Colonist*. In 1978, he formed the Committee for Western Independence, which in 1980 became the Western Canada Concept.

Rage against the NEP was so pervasive that Mr. Christie was able to pack auditoriums across the West, including, memorably, the Jubilee Auditoriums in Edmonton and Calgary in November 1980. The WCC was registered as a political party in Alberta the next year, but Mr. Christie lost control of it after the chief electoral officer ruled that a British Columbian could not head an Alberta party.

By this time Mr. Matheson had helped form WestFed, which, unlike the WCC, did not take a hard line on separatism. It was led by the colourful Elmer Knutson, who went on to form the Confederation of Regions Party, which later achieved some success in, remarkably, New Brunswick. The NEP had provided the impetus for sepa-

ration, but the movement was bedevilled by rivalry and factionalism. After Mr. Kesler was elected in February 1980 he took control of the party and led it to a "separation if necessary but not necessarily separation" position.

Premier Peter Lougheed moved quickly to crush the movement. His leading role in the 1982 constitutional talks and his unrelenting fight to defend natural resources as a provincial jurisdiction persuaded Albertans that the Conservative party was Alberta's best defence against Ottawa. In the 1982 provincial election, his last, he won an overwhelming victory. Mr. Kesler, now running in a different riding, was defeated. According to Lethbridge Community College political science instructor Faron Ellis, "Albertans decided to put all their eggs in one basket."

The Alberta WCC mutated into different parties. Mr. Christie soldiered on. Mr. Matheson directed his energies to the federal scene and dreamed of a western party that could hold the balance of power in the House of Commons. "Before the Western Assembly in 1987," he says, "Preston Manning got in touch with me and said he wanted voices from all these different organizations. When I went to the Assembly, I saw how well it had been organized and the support it had from people who could finance it. I said, 'This is going to work.'" He threw in his lot with the Reform Party, as did many other separatists.

Mr. Christie says, "The Reform Party had the momentum. It was going to save Canada. I watched as many of our members joined it. But I always thought that over time people would realize that Ontario and Quebec have the power, and they are not going to surrender it."

The Reform Party begat the Canadian Alliance. The 2000 election proved to many that eastern Canada would never support a western-led party. The western separatist movement has come full circle. ■

KEVIN MICHAEL GRACE



Tom Flanagan

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Community College political science teacher Faron Ellis. "And I think the easiest option would be to take over the Conservative party in a post-Ralph era. It will take a major housecleaning, but the party will need that."

The Reform Party had a "sunset clause" in its constitution. If Reform did not take power by 2000, the party would re-examine the reasons for its existence. Reform became the Alliance, but many Reformers took the clause to mean dissolution, and Prof. Ellis argues that the rise of Alberta particularism indicates that for many Alberta Reformers the sunset clause has kicked in. "The Alliance is not really a party anymore," he argues. "It's just a series of factions. Supporters are drifting off to separatism; some are drifting off to non-involvement, some, like Flanagan and Harper, have given up and are focusing on provincial politics." Stockwell Day has recently given two major addresses on Western alienation, but they have largely been ignored. Attention has been paid instead to the continuing Alliance leadership crisis, the embarrassment of Mr. Day's \$800,000 legal bill in the Goddard case and MP Deb Grey's decision to buy into the "gold-plated" MP pension plan she so long reviled.

Even before the 2000 election, many Reform/Alliance members were heard to say that it would be the last chance they would give Canada. *Edmonton Journal* columnist Lorne Gunter says, "In talking to people about the Harper project or people who went to the Alberta Independence Party convention, there is clearly an undercurrent that we watered down everything we believed in to get this Alliance, and it was rejected as much as Reform was. I had not fully understood until the fallout from the campaign just how pronounced was the anti-western sentiment in the East." Mr. Gunter, a long-time advocate of the contents of the Alberta Agenda, describes it as "the next logical step, perhaps the last step to preserve Confederation." He adds that he is not a separatist yet, but in light of the outright "bigotry" displayed by the Liberals and the Canadian establishment during the election, "we may be coming to the point where we have two incompatible visions of Canada: one held by the majority in Ontario, Quebec and the Atlantic provinces and another held by the West. If this happens, western separation may occur quickly." ■

Send them a message

A COMPAS poll revealed last week that only 37% of Quebecers favour separation. In Alberta, support stood at 7%. The difference between the provinces is that until last month Albertans did not know they had a separatist movement.

The Alberta Independence Party (AIP) held its founding convention in Red Deer January 21 and 22. If the first test of a new party is to get noticed, the AIP passed with flying colours. About 250 attended, including such observers as Canadian Alliance MPs Daryl Stinson and Myron Thompson and CA senators-in-waiting Bert Brown and Ted Morton. Mr. Brown spoke to the crowd and wished the party "every success." Then the recriminations began.

Prime Minister Chretien suggested the two CA MPs were "traitors." Mr. Thompson dared Mr. Chretien to make that accusation to his face. "Tough Love" Minister Stéphane Dion attacked CA leader Stockwell Day for not rebuking MPs Stinson and Thompson: "It's a mistake, a moral mistake to blackmail your fellow citizens with separatist blackmail. You should say to them, 'You don't have a case.'" Suddenly Alberta separatism was more lively than at any time since the halcyon year of 1982. Pretty good work for a previously unknown 29-year-old Calgarian named Cory Morgan.

Mr. Morgan, an oil field surveyor and native Albertan, is AIP's interim leader. He is a former Reform activist. He co-created the AIP Web site (www.albertaindependence.com) in the fall of 1998. "I had come to the conclusion that the Reform Party would end up stalemated," he explains. He says of the Alliance, "Lots of people put their last hopes into it, but after the virtual lack of change [in the federal election], people have come to the conclusion that change is not going to happen on the federal front."

Mr. Morgan says he became a separatist because "I feel strongly that we need some major changes in Alberta's role in Confederation." He rejected the Alberta Conservatives because "one of Ralph Klein's biggest weaknesses has been when it comes to negotiating with Ottawa. He doesn't want to rock the boat. We want change, big change."

AIP's goals are "pursuing provincial autonomy for Albertans," "protecting the individual rights of Albertans," "the preservation of western culture," "direct democracy involving referenda and citizen's initiatives," "resisting the further centralization of power by Ottawa," "maintaining the social standards which the majority of Albertans want" and "the reduction of oversized government and overspending." It has much in common with the Alberta Agenda advocated by Stephen Harper's Gang of Six. (See cover story.)

But is Mr. Morgan really a separatist? At the convention, AIP voted for separation if necessary. He explains, "It's not the explicit goal of the party right now, but it is a very possible contingency, not just a threat. We are say-

ing that if we don't get a new deal, separation is going to be the only alternative left to us. We do see separation as more attractive than the status quo."

Mr. Morgan reports that AIP has "hundreds" of members, mostly in the north and south, with few in Edmonton and a "surprising" number in Calgary. The Web site is getting over 1,000 hits a day. His priority now is to get the 5,400 signatures necessary to register the party in time for what is expected to be a provincial election in March. If that is done, he admits, "We'll have to be realistic and run probably just a half-dozen or maybe a few more candidates." It has been rumoured that former Alliance MP Cliff Breitzkreuz was going to run for the new party. He responds, "I was just requesting some information, but I'll let you know if anything develops."

Lethbridge Community College political science professor Faron Ellis says he has talked with Mr. Morgan and other party leaders. He reports, "They're young, energetic, enthusiastic and have all the pluses and minuses associated with that." He argues they should consider separation a "20-year program" and commends AIP for its "prudence" in rejecting a hard line on separation.

True separatists do not need a platform, but those that stop short of the final step do. That being the case, Albertans are not likely to vote for a government consisting of political neophytes. Prof. Ellis says, "I had to give them a lesson on the constitution. They were reading it to say that since the provinces have responsibility for direct taxation, this means the federal government cannot levy direct taxation. This was an indication of their naïveté."

Western Canada Concept (www.westcan.org) founder and leader Doug Christie of Victoria of comments, "There are many people who would like to find a trick solution to the problems of being a western Canadian. They are dreaming. These are political problems created by our own apathy and lack of will." In his opinion, a hard line is essential: "People who start off from a position of compromise are weak and doomed to failure."

Edmonton Journal columnist Lorne Gunter says bluntly that the main difficulty any Alberta separatist party has is that "this province is running a \$7-billion surplus." But Prof. Ellis insists that conditions are more propitious for separatism now than in the 1980s. "Canadian patriotism is not what it was. It is especially weakest among the late baby boomers, Generation-Xers and the echo boomers. And globalism has resulted in a situation where the younger you are the more likely you are to consider yourself a citizen of North America. Chretien still represents the '60s vision. Secessionists are more likely now to be looking outward than inward. And Albertans have had 20 years to try the alternatives, Reform and the Alliance, and they've failed. The colonial tax, the two-dollars-out for every-dollar-in price that Albertans pay to be in Canada can no more be justified than rape." ■

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**—AIP INTERIM LEADER
CORY MORGAN**

