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The Alberta Agenda would benefit all Canadians

Premier Ralph Klein last Saturday appointed a task force of Tory MLAs to look into what's called the "Alberta Agenda"--the idea that Alberta should reclaim all the fields that belong to it under the Canadian Constitution.

If it does, there will be an Alberta Pension Plan instead of the Canada Pension Plan, Alberta Provincial Police instead of the RCMP, and provincial personal income tax will be collected from Edmonton instead of Ottawa.

For the most part, provinces (except Quebec) have entrusted these operations to federal management, and can take them back.

The Alberta Agenda could also include a much tougher stance towards Ottawa on disputed jurisdictions like health, environment, grain marketing, marriage licensing and gun control. In all of these matters Ralph's government talks tough but never follows through.

To a lot of people the Alberta Agenda comes right out of left field (much like Senate reform did in the early 1980s). "Huh?" they ask. "What's wrong with the Mounties? What's wrong with the CPP?"

Actually, there's a LOT wrong with the Mounties and the CPP, and everything else on the Alberta Agenda list.

But you have to go one item at a time. Let's start with the Canada Pension Plan.

The CPP is a terrible, terrible program. Young people will recover at best 60 percent of what Ottawa forces them to contribute, while people now retired are getting out far more than they put in. The CPP is a wealth transfer, not a pension.

For Alberta to opt out, it must offer a comprehensive public plan that works the same way and does the same things as the CPP. A privatized alternative plan, though it would be better, would not qualify.

Nonetheless, an APP would at least be cheaper than the CPP, according to a newly updated study by William Robson of the C.D.Howe Institute.

Alberta, because of its business-friendly and family-friendly culture, maintains over the long term a higher-than-average proportion of young, working families, and could cut its pension premium by 15% to produce the same level of benefits as the CPP. That would save the average working family \$500 a year (and also help nurture Alberta's distinct society).

The only apparent down-side of an Alberta Pension Plan is political, not economic. If Albertans quit the CPP, they'll take with them about \$2 billion they now pay in surplus CPP contributions. As a result, while their rate would drop to about 8.5% of earnings (from the present national rate of 9.9), the rate paid by other Canadians could nudge above 10%.

I suspect Ralph fears this would put Alberta (and him) in a bad light. He'd be called names by those tiresome people who still think of Canada as "compassionate" because it has "universal national social programs" like the CPP.

Of course, only a very anglo-centric person would consider the CPP "national" (Quebec stayed out of it); and only an economic illiterate would consider an indiscriminate transfer of earnings from poor young people to rich retirees "compassionate."

However, the feds wouldn't really have to raise CPP premiums above 10%, even if Alberta does pull out. Instead, they could redirect to the CPP a small fraction of the billions they squander each year on the gun registry, canoe museums in Shawinigan, regional development grants that don't develop the regions, aboriginal grants that don't get past the local chief and council, federal advertising contracts, and a hundred other things.

If an Alberta Pension Plan forced Ottawa to reorder its spending priorities, it would benefit all Canadians.

- Link Byfield

Link Byfield is chairman of the Edmonton-based Citizens Centre for Freedom and Democracy.

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