



Cambridge Strategies *Inc.*

Ralph Klein, 1942-2013

*Cambridge Strategies Inc. Policy Briefs*

*Conversations that matter*

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# Ralph Klein, 1942-2013

As Albertans say goodbye to Ralph Klein, Premier of Alberta from 1993 to 2006, I have lasting memories of a fierce adversary who later became a friend.

*Premier Ralph Klein was a singular politician who was far more deliberate in his choices than friends and foes describe, Satya Brata Das writes in this remembrance.*

During his first term, as Premier Klein embarked on sharp and severe cuts to health, education and public services, I served on the Editorial Board of the Edmonton Journal: and led a principled opposition to policies that seemed to owe more to panic than rationality.

Indeed, as then-Finance Minister Jim Dinning (we too have made our peace) declared that you can only leap a canyon in one bound, I recommended building a bridge so all could cross the canyon safely.

Alberta's budget deficit lasted only one year after Premier Klein's cuts, and burgeoning surpluses led to soaring government spending thereafter: yet the shock of the cuts long fuelled a public perception that funding for core services continued to shrink, even as it grew.

Over the years, I came to understand that there had indeed been a rationale behind the first year of cuts: but it had more to do with a philosophy of governance, rather than economic necessity.

As he left office, Premier Klein affirmed that he had gone beyond laissez-faire economics, to what might be called laissez-faire governance.

In fact, he acknowledged his government had done little or nothing to cope with the challenges of managing prosperity and optimising growth, and that there was no particular plan for government to address the pressures of growth.

While it was easy and tempting to dismiss this as mere negligence born of laziness and inattention, I came to understand over the course of dinners and conversations with Premier Klein that laissez-faire government in Alberta was a deliberate political choice – made with far more thought than generally acknowledged by friends and foes alike.

Premier Klein came to the premiership when Albertans overwhelmingly voted for two parties (PCs and Liberals garnered more than four in five votes in the 1993 provincial election) vowing to restore fiscal balance through sharp reductions in public expenditure.

By adhering single-mindedly to this objective, Premier Klein's government consciously chose to create a debt-free fiscal climate wherein government would earn the room to cut taxes (rather than simply decreeing a tax cut) and give the free-market economy the breathing space it needed to grow and flourish.

This philosophy meant removing the deliberate and deliberative hand of government in favour of the "invisible hand" of the marketplace. This Adam Smith economic prescription was paired with a John Stuart Mill political outlook.

Rather than a "social contract" between the citizen and the state, the Klein political philosophy followed Mill in enabling and empowering each person to exercise and develop their capacities, capabilities, engagement and participation in his or her own way, in order to achieve personal progress and personal happiness, satisfaction and fulfilment.

In this concept of political economy, a flat-rate personal income tax, more private choice in the provision of health care, and distributing resource royalties directly to citizens by writing everyone a cheque, are all perfectly consistent with Adam Smith economics and John Stuart Mill politics.

In this construct, the individual liberty to pursue one's own happiness, with the least possible constraint from the state, becomes the central governing ethos. Premier Klein's adherence to his political philosophy as a well-considered policy choice, rather than an act of negligence or happenstance, was confirmed in several discussions and conversations I enjoyed with him over several years.

The effect of laissez-faire governance was to diminish the individual's expectation of state support, and to regard the state as a shelter only in times of critical need. As

Premier Klein put it, his governance philosophy was to provide “a hand up, not a hand-out.”

The ultimate empowerment of the citizen, in the Klein philosophy, was the classical Mills view that democracy with its freedom of speech and freedom of choice is the best vehicle to enable each citizen to flourish, following pursuits and decisions of his or her choice free from the interference of others, so long as what one wants does no harm to others. Low taxes, small government, leaving more money to citizens to use as they chose, became the economic corollary to this approach.

What did this actually mean, when there were inevitable conflicts in governance, and opposition from both citizens and factions within government?

Two illustrations come to mind.

The first was the proposal to cap compensation for victims of forced sterilization. In this case the then Minister of Justice went to Caucus directly, recommending a cap on damages for victims of no more than \$50,000 with an option for plaintiffs to proceed to Court for appeal. It was presumed that most claims would be within this limit – and that this legislation would help speed up the processing and reduces costs. In the heat of the moment, and with the concurrence of the Premier, Cabinet accepted the recommendation without going through the outcomes-based policy process.

Public reaction was immediate and negative; most saw it as an infringement on the human rights of citizens. Within 24 hours the Premier reversed the Cabinet decision. (In the aftermath, most claims were actually settled for less than \$50,000, as presumed, through an independent process). Yet the public was left with the impression the government would run roughshod over people’s human rights for the sake of administrative expediency. If there had been a consultative process in which the implications had been presented and discussed, the government might have avoided this haphazard policy initiative.

The second example was Alberta’s belated ratification of the United Nations Convention on the Rights of the Child in early 1999. It served to illustrate that the Premier kept ultimate control of the outcome. The Premier directed the Standing Policy Committee to study ratification of the UN Convention – opposed by many in caucus as a violation of parental rights. Yet the Premier let it be known he personally supported ratification (and that he had pledged to do so in giving his word to

Archbishop Desmond Tutu, on the occasion of the 50<sup>th</sup> anniversary celebration of the Universal Declaration of Human Rights in Edmonton in December 1998).

The minority in caucus who opposed confirmation stacked the Standing Policy Committee and voted against ratifying the UN Convention. The Premier, given his prior discussion with Archbishop Tutu, confirmed the Convention anyway. Premier Klein went against his caucus and took the personal responsibility – and did so as an overt and conscious choice. Both these examples reflect outcomes of laissez-faire governance, which might be characterized as intervention when necessary, but not necessarily intervention.

Premier Klein's economic and governance philosophy had its limitations. The chasm between the aspirations of the citizenry and the government it kept on re-electing only deepened during the Premier Klein's time, because the government seemed absent by choice from the very act of governance.

A firmer and more directive government hand might have given more frequent and proactive guidance in meeting infrastructure needs, optimising the management of resource revenue and indeed in controlling and scheduling the pace of resource development, avoiding what the late Premier Peter Lougheed termed a "mess" in the management and stewardship of the economy.

Yet this would have required an entirely different political and economic philosophy, and an entirely different premier – it cannot be forgotten that Albertans thrice gave Premier Klein absolute majority governments.

Even so, after the turn of the millennium, Premier Klein understood that he needed to include a more robust participation by citizens in co-creating our shared future, to take more of a hands-on approach to the common good and the common wealth.

There was strong evidence that Albertans want more directive government – from the fact that more Albertans voted for the opposition than for the Klein government in 2003, and indeed from the Future Summit of 2002 wherein Premier Klein solicited the ideas and input of the public on a range of policy challenges.

Much of the response from the Future Summit foresaw the primacy of a "social contract" role for government rather than "laissez faire governance" embraced by Premier Klein.

As such most if not all of the Future Summit recommendations were left stranded, rather than being developed into effective and sustainable policy.

Nonetheless, it is worth recalling the findings of this group of citizens selected by the government. The public was “ahead” of the government in recognising the need to curtail deficit financing, achieve budgetary balance and achieve fiscal independence through debt reduction and elimination as the 1990s began. The Albertans engaged in the 2002 Future Summit had similarly “moved ahead” of government in determining how they wished their government to create effective governance for Alberta in the 21<sup>st</sup> century.

The Future Summit found:

*“When Albertans look toward the future they see a province with a strong economy and a skilled, productive workforce. They see a healthy environment and strong, safe communities. They see future generations of Albertans enjoying high-quality health care and lifelong learning opportunities. They see their governments living within their means. And they see individual citizens, governments, business and communities working together—getting involved, contributing and volunteering to make Alberta the best it can be. Albertans see the province as a recognized world leader in scientific and technological research and development. They see a place where innovation drives progress in a self-sufficient, diverse, high-tech society. They see technology, partnerships, innovation and value-added business ventures as keys to future success.*

*Albertans’ vision for the future include:*

- *accessible, affordable education*
- *a first-class health care system that promotes healthy living and wellness*
- *a clean, healthy environment*
- *a strong economy that makes it possible for all Albertans to share in the province’s prosperity*
- *safe, caring communities supported by well-planned and well-maintained infrastructure*
- *effective government*

*Building a legacy for future generations—a legacy founded on:*

- *a province that is debt free*
- *fiscally responsible, effective governance*
- *sustainable economic growth balanced with responsible environmental management*
- *sustainable health and education systems responsive to the needs of Albertans*
- *thriving, secure communities*

- *innovation and leading-edge technology”*

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The irony is that laissez-faire governance prevented the implementation of the recommendations. Subsequent to the Future Summit, the government laid out four 20-year goals in a long-term plan. This document was redolent with the language and imagery that reflects Premier Klein’s political philosophy. The destination was articulated not as a government policy, but as a societal goal.

Premier Klein’s government essentially said that in its engagement with Albertans, through the future summit and day-to-day discourse between citizens and their elected leaders, this is the consensus view of how Alberta ought to evolve. Rather than setting out a plan for how these goals are to be achieved, the Klein political philosophy asserted that defining the objectives was enough, and individuals and institutions ought to navigate their own way to these destinations.

As a framework for societal development, these goals indeed were laudatory, and one can see in the 20-year plan the thematic echo of the key findings of the Future Summit. They include: unleashing innovation, leading in learning, competing in a global marketplace, and making Alberta the best place to live, work and visit.

Premier Klein’s government defined what each of these themes ought to mean, while inviting citizens to strive toward this future. As the government saw it:

***Unleashing innovation** focuses on becoming a world leader in innovation, research, development and commercialization of new ideas. This applies both to our existing strengths in energy, agriculture and forestry as well as new businesses that create wealth by commercializing new technologies, creating new products, and adding value at home for export abroad.*

***Leading in learning** requires making sure Albertans have the opportunities they need to learn, adapt and develop new knowledge and new skills. This means making certain our educational opportunities are second to none and our children have the chance to get a healthy start in life. It requires our support of opportunities for lifelong learning, developing both skills and knowledge.*

***Competing in a global marketplace** is about creating a business and investment environment that is recognized around the world as an excellent place to do business. It requires setting policies that allow Albertans to compete and succeed in a global marketplace. It means competing for our share of the growing global market for manufactured goods and*

*business services, welcoming visitors both as tourists within a clean and sustainable industry, and as potential citizens interested in investment and living opportunities. It is a place where Albertans, with heritage from all parts of the world, live in harmony in a cosmopolitan society, setting an example for the world and providing a key advantage in global relations and trade.*

***Making Alberta the best place to live, work and visit** is where these strategies translate into a superior quality of life for Albertans. Making Alberta the best place to live, work and visit means attracting people to live in Alberta because it provides an environment in which they can contribute their talents and create a quality of life that meets their dreams. It means maintaining strong and viable rural and urban communities, protecting wildlife and parks, and promoting the diversity and excitement of Alberta's cultural, arts and recreational opportunities. It means promoting safety and ensuring Albertans' security. And above all, it means making certain we are able to raise our children in a safe and healthy environment.*

And in keeping with the Klein philosophy, his government made it clear that the leadership for achieving this future ought to emanate from citizens themselves. This is how it described *Today's Advantage, Tomorrow's Promise*:

*"(The document) is the Alberta government's vision of an Alberta from Albertans – a vision designed by listening to Albertans. It is a vision of unmatched economic prosperity. It is a vision about unleashing the talents of individual Albertans. It is a vision about maintaining a clean and healthy environment. And it is a vision where all of these combine to create an exceptional quality of life. It is a vision for the future. It is a vision of hope."*

Without government leadership, it was unlikely indeed that the citizens would "organically" achieve this vision.

Yet as an example of what Premier Klein hoped for with laissez-faire governance, the 20-year strategic plan remains an important evolutionary milestone towards the latest evolution of citizens co-creating their future, the Social Policy Framework developed by the government of Premier Alison Redford (the reader should understand that Cambridge Strategies Inc. is professionally engaged in the evolution of the current policy).

The political philosophy of Ralph Klein didn't fit into any convenient labels or moulds. He was a singular politician of great intelligence, a remarkably quick study who spent far too much effort to hide his intellect and ability behind the folksy demeanour that came so naturally to him.



He revived the Progressive Conservative brand when it was ready to fail, carried the party along with him to win after win. And like another famous Conservative politician, Britain's Prime Minister Margaret Thatcher, he was done in by his own party when it was felt he had overstayed his welcome.

Yet the Ralph Klein I came to know was comfortable in his own skin, and ever true to himself; never shying away from the courage of his convictions. Agree or disagree with his policies or his legacy, Premier Klein displayed a sense of integrity and political fortitude seldom seen in Canadian political life.

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