

MIND GAMES

Think tanks compete for hearts and minds—
and influence how government acts.

By JEFF GAILUS



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THERE'S AN OLD SAYING IN RESEARCH: GO TO THE source. And so, on a cool November Thursday, I stopped in to speak to former Alberta Premier Ralph Klein at his newest place of employment, the swank Calgary offices of Borden Ladner Gervais LLP. I wanted to know how a select group of ideologically motivated research institutes—think tanks—have influenced the politics and policies of the Alberta government over the last decade or two. Who better to ask than the man who was at the helm from 1992 to 2006?

At 10 minutes to the hour, I stepped out of the elevator and onto the 10th floor of the Canterra tower. The affable receptionist showed me into the Mackie boardroom. Sitting at a table longer than my living room, I surveyed the scene beyond the floor-to-ceiling windows. On the other side of the Bow River, a row of gaudy infills lined Memorial Drive, hiding the charming bungalows and aging two-storeys that survive in Sunnyside like islands of old-growth forest.

Closer to hand, two priapic towers of steel and glass rose from the pavement, just one of dozens of construction projects that clogged Calgary's downtown streets, a never-ending testament to Klein's legacy of unmanaged economic growth.

Klein's voice, echoing from somewhere down the hallway, jolted me out of my reverie. "Where's Jeff?" he boomed. "Where's Jeff?" A few moments later he ambled into the boardroom in faded Wranglers and a worn University of Lethbridge sweatshirt, greeting me with as genuine a smile as I've ever seen on a career politician.

"I assumed you'd be wearing a suit and tie," I said, shaking his outstretched hand without getting up. "No, no," he said, sitting opposite me, his back to the booming city he helped create. "I don't wear that kind of stuff anymore."

I explained the reason for my visit, but before I could begin asking questions, Klein simply launched into an ad hoc speech about think tanks. "I appreciate the Fraser Institute and the Manning Centre [of which he is both a patron and a fellow] for doing their research and analysis, but a lot of it is beyond me, to tell you the truth. In politics, there's very little time to consider policy."

After he made several glowing references to the Fraser Institute, the Canada West Foundation and the Manning Centre for Building Democracy, I asked about the Pembina Institute and the Parkland Institute, Alberta-based think tanks that have staked out political territory to the left of Klein's. Or at least I tried to; he cut me off.

"I used to [mention them] a lot when I was in politics," Klein said with a smile, perhaps recalling his impromptu review of *Shredding the Public Interest*, the Parkland Institute's first publication in 1997, which he called the work of a "communist." (The author, Kevin Taft, would go on to become

the leader of Alberta's Liberal Party.) "No, I don't hold them in very high regard."

"But don't you think they play an important role in..."

"Yes, yes, they produce reports, but they are obvious left-wing institutions, and I don't pay much attention to their reports. Or at least I didn't when I was in politics."

LIKE CHEEZ WHIZ AND THE ATOM BOMB, MODERN think tanks are a distinctly US invention that has spread all over the world. They began as "secure rooms" during the Second World War, where military planners could meet in confidence to discuss strategy.

The most famous think tank is probably the first one. The RAND Corporation was originally set up by the US Army Air Force in 1946, and today brands itself as "the original non-profit think tank helping to improve policy and decision making through objective research and analysis."

Today, approximately 3,500 think tanks, half of which are American, try to influence politics around the world. Only a handful concern themselves with Canadian issues, but that may change as Canada's natural resources—especially oil and water—become increasingly important to our neighbour to the south.

Almost all think tanks publish reports based on research and analysis that supports their own particular perception of how

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—Donald Gutstein**

the world works—or should work—and then flog them in the media. For some, that's as far as it goes. For others, that's only the beginning, to be followed up by public presentations and participation in advisory groups or government panels. But they all have one thing in common: despite claims to objectivity, each of them has an agenda.

"They are all ideological to some degree," says Don Abelson, chair of the political science department at the University of Western Ontario and the author of *Do Think Tanks Matter? Assessing the Impact of Public Policy Institutes*. "They want to influence public policy and public perception and shape the political climate. They want to change the way we think."

Klein, in his own bumbling way, had outlined the complete spectrum of think tanks that shape Alberta's political landscape. The libertarian Fraser Institute sits firmly on the far right, while the Parkland Institute occupies the left. The Canada West Foundation and the Pembina Institute occupy the mushy middle, with Canada West slightly to the right of centre and Pembina to the left.

Each think tank has its own agenda, its own special niche. The Canada West Foundation focuses on articulating and promoting what CEO and president Roger Gibbins, former head of the University of Calgary's political science department,

calls “the western Canadian policy experience” at the federal level in an attempt to “enhance the voice of the West in the national policy debate.”

The Parkland Institute, housed at the University of Alberta since 1996, was founded by a group of concerned academics to “counteract” the influence of right-wing organizations such as the Fraser and C.D. Howe institutes, and to challenge Klein’s neoconservatism.

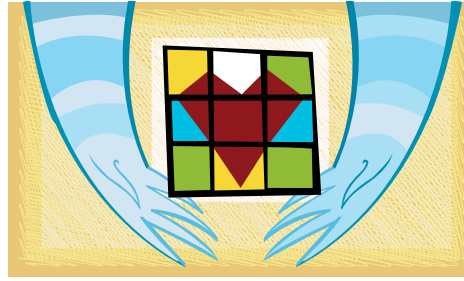
“In 1996, there was next to no political debate in this province,” says Ricardo Acuña, Parkland’s executive director. “Our goal has never been to overthrow the Conservative government. Our mandate is to produce and disseminate research on public policy in an effort to broaden the scope of debate in Alberta.”

The Pembina Institute may be the most unique of Alberta’s think tanks. Focusing exclusively on environmental and sustainability issues in a province dominated by the oil and gas industry, it edges closest to the fuzzy line between advocacy and public education, not only finding creative ways of publicizing the results of its research, but actually participating in multi-stakeholder processes and testifying in front of blue ribbon panels.

“We’re part of the environmental movement,” says executive director Marlo Raynolds. “That’s what we do differently than the other three. I don’t think the Fraser Institute would consider themselves part of the environmental movement.”

The Fraser Institute is the most controversial of the local think tanks. At once maligned (by the political left) and celebrated (by the political right), the Institute represents a free market libertarianism popularized by Ronald Reagan and George H.W. Bush and embraced almost wholly by Klein Conservatives. Although it vehemently maintains its independence and objectivity, the Institute focuses its research on lower taxes, smaller government, less government interference and privatized social services—all of which benefit the corporate sector.

Its annual report reads like a who’s who of former Alberta politicians, prominent businessmen and pro-free-market academics. Not surprisingly, the energy sector is well



represented. Gwyn Morgan, former president and CEO of EnCana, is a long-serving supporter and member of the board of trustees. So are Steve Snyder, president and CEO of Transalta, W.W. Siebens, president and CEO of Candor Investments Ltd. and a Petro-Canada director since 1986, and John Hagg, former chairman and CEO of Northstar Energy Corp. and principal of Tristone

Capital Inc—to name but a few.

Senior fellows have included prolific *Calgary Herald* op-ed contributor Barry Cooper and Tom Flanagan—Stephen Harper’s former chief adviser—from the U of C. Professor-turned-politician Ted Morton, now Alberta’s Minister of Sustainable Resource Development, was also a Fraser Institute fellow before he took office. Preston Manning is there, too, as is King Ralph himself.

Given these connections, it’s not surprising the Fraser Institute held its 30th anniversary gala at Calgary’s Hyatt Regency Imperial Ballroom, where then-premier Klein told 1,200 adoring libertarians and conservatives that, “The Government of Alberta is proud to adhere to the public policy direction of the Fraser Institute.”

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THIS YEAR MARKS THE 35TH ANNIVERSARY of the Fraser Institute, one of the oldest of the Canadian think tanks. Named (somewhat appropriately, given its penchant for opposing environmental regulations) for one of the most polluted rivers in Canada, the Fraser Institute was founded in Vancouver in 1974 to wage ideological warfare against the NDP, which held power in BC at the time.

The right-wing think tank establishment had begun to flourish in the US in the early 1970s, the brainchild of Supreme Court Justice Lewis Powell, who believed that defending capitalism from a horde of leftist bogeymen would

Think Tank	Founded	Director	Employees	Revenue ('07)	Publications ('07)
Fraser Institute	1974	Mark Mullins	55	\$12.7-million	76
Canada West	1976	Roger Gibbins	22	\$2.75-million	32
Parkland Institute	1997	Gordon Laxer	6	N/A	20
Pembina Institute	1985	Marlo Raynolds	50	\$4.3-million	365

require an organized and coordinated, corporate-financed propaganda machine. It was in the Fraser Institute, founded by MacMillan Bloedel vice-president Patrick Boyle and neoclassical economist Michael Walker, that the machine roared into Canada.

“The Fraser Institute is a small cog in a global wheel of reaction designed to roll back the democratic gains of the 20th century,” says Donald Gutstein, a professor at Simon Fraser University and the author of *Not a Conspiracy Theory: How Business Uses Propaganda to Manipulate Us* (Key Porter, 2009).

In the 1970s, the Fraser Institute’s annual budget was less than the cost of a high-end BMW. Today, it’s a whopping \$12.7-million, more than twice as much as the other three Alberta think tanks combined.

Unlike other Alberta think tanks, the Fraser Institute doesn’t publish a detailed list of its financial supporters. According to its 2007 annual report, roughly a third of its revenue came from “organizations and corporations,” while slightly more than 50 per cent came from foundations such as the Donner Foundation and the W. Garfield Weston Foundation. The other 13 per cent, or \$1.6-million, came from individuals, twice what all the other think tanks raised from individual donations combined.

“There’s no doubt that think tanks have become reliant on their donors,” says Abelson. “Does that mean that donors have to agree with all of the research they publish? No, but conservative donors are not going to continue to fund them unless they like what they say. The reality is, they can’t bite the hands that feed them.”

Critics—including Gutstein—complain that the Fraser Institute is simply a “corporate propaganda machine.” But Mark Mullins, executive director of the Fraser Institute, disagrees.

“That’s just bizarro,” he says, sitting beneath a wall of photographs that includes the smiling faces of Klein and Harper posing with the Fraser Institute brass. “We’ve had [corporate] supporters leave the institute because our research wasn’t in their interests, and we’ve been endorsed by the NDP and by the health ministry in BC. It just ain’t true.”

“Our mission is exactly what it says,” maintains Mullins. “To look at public policy, competitive markets, and government intervention. The essence is measurement. We’re numbers people. We just want to get the facts out on the table... and get the best public policy.”

But numbers and statistics can be made to tell any number of truths, argues Gutstein. “You can lie easier with statistics than almost any other way, and the Fraser Institute does it all the time. People are just cowed by numbers.”

One need look no further than the Fraser Institute’s research on environmental issues. A 2006 paper by Hilda McKenzie and William Rees examined the scientific integrity of the Fraser Institute’s regular Environmental Indicators series, which the *Financial Post* and *The Globe and Mail* commended for providing “good news about the environment” and for “go[ing] against the trend of finding environmental gloom under every rock.”

How did the Fraser Institute manage to find such good

news about the state of the environment when the scientific consensus on everything from climate change to biodiversity loss is one of deep concern? Flawed research, of course.

“The report provides scant evidence to support its claims,” write McKenzie and Rees, detailing how it arrives at its conclusions by being selective about which environmental indicators to focus on and ignoring the ecological effects of consumption in the countries it studies, among a long list of criticisms.

The Fraser Institute’s research on climate change is equally dubious. For years the Institute has downplayed and even denied the anthropogenic causes and extent of climate change. Last year, the Institute published an “Independent Summary for Policymakers” in response to the Intergovernmental Panel

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—Ricardo Acuña

on Climate Change’s most compelling report to date linking Earth’s warming climate to greenhouse gas emissions caused by human activity. Written by Fraser Institute senior fellow Ross McKittrick of the University of Guelph, the report was released at a press conference in February 2007.

The Fraser Institute’s “Independent Summary” is “highly ideological,” says Andrew Weaver, a Canada Research Chair in climate modelling and analysis and a lead IPCC author. The Summary claims there is “no” compelling evidence that dangerous or unprecedented changes are underway. Weaver points out that “the IPCC report presents 1,600 pages of compelling evidence. That’s the whole point.”

Other critiques of the Fraser Institute’s work on public healthcare, taxation and education are equally damning, leaving the discerning reader scratching her head at the disparity between Mullins’s claims to objectivity and the substance of the Institute’s ideological, and questionable, research.

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ABELSON, THE UWO’S THINK TANK EXPERT, maintains that it is difficult to measure the influence of the Fraser Institute or any other think tank on any particular issue. But it is clear to anyone who is paying attention that the political centre in Canada is shifting further to the right.

And the Fraser Institute is leading the charge. Mullins, for instance, was the self-proclaimed “numbers guy” for Mike Harris’s so-called common sense revolution in Ontario. Harris himself has joined Klein as a Fraser Institute senior fellow, as has

former Newfoundland premier Brian Tobin, who is working with Klein on a North American energy strategy. Much of this political shift can be traced back to the cozy relationship between the Fraser Institute and the Alberta government.

“The Tory government and caucus have shifted to a default position that markets are good and governments are bad,” says Kevin Taft. “My own position is that sometimes markets are good and sometimes governments are good. But the Tories *believe* in markets. And I think the influence of the Fraser Institute is partly responsible for that.”

Mullins would agree. “We worked for 25 years against the idea that deficits were okay,” says Mullins. “We had 25 consecutive years of deficit spending at the federal level and lots of it at the provincial level as well. We argued, from economic principles and evidence, that that was going to land us in a heap of trouble at the end of the day, which is exactly what has happened.”

Mullins says there was a direct line between the Fraser Institute’s work and the Klein government’s decision to balance the budget and eliminate the debt. “We were doing studies at the time and providing the general public in Alberta, and by implication the government, with information about spending, how far it was out of line, and the merits of retrenchment.”

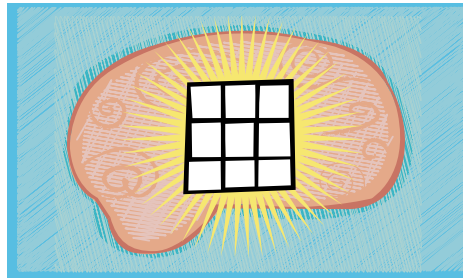
During my meeting with Klein, the former premier rattled off a list of “successes” that could have come directly from a Fraser Institute annual report: lower taxes, a smaller civil service, privatization of liquor stores and registries, the amalgamation of health and school boards and the closure of hospitals and schools, all in an effort to eliminate deficits and pay off the debt in record time.

“I have a deep concern for the future of Alberta because it is being governed not by facts but by ideology,” says Taft, whose *Shredding the Public Interest* condemned the Fraser Institute’s research and policy recommendations on healthcare, many of which Klein tried to implement as the “Third Way” during the waning years of his premiership. “Massive decisions are being made on the basis of faith rather than thought. Inevitably, those decisions end up being misguided... When the money runs out, we’re going to be in for rude surprise. And I think it may come sooner than we think.”

Roger Gibbins recounts a story that unwittingly illustrates Taft’s point. Canada West conducted some research for Stelmach’s government on the efficacy of using financial incentives to encourage physical fitness. Paying Albertans to stay fit and healthy, the argument went, might just be cheaper than paying their medical bills.

But the research, some of the best Canada West has done, says Gibbins, didn’t support that hypothesis. Instead, it suggested that financial incentives don’t work very well to increase physical activity in the general population, and that such a policy would likely be a waste of taxpayers’ money.

But a government that likes the optics of giving cash gifts to its voters—think natural gas rebates, for instance, and Ralph



Bucks—doesn’t let research results get in the way of a good idea. To Gibbins’s surprise, Calgary-Lougheed Tory MLA Dave Rodney sponsored a private member’s bill that “looked a whole lot like our report—but [it] came to the opposite conclusion.”

Despite directly contradicting the results and recommendations of Canada West’s research, which was paid for with

public money but never released to the public, the legislature approved the bill—suggesting once again that in Alberta, it is ideology, not fact, that rules the day.

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ALBERTA’S PROGRESSIVE THINK TANKS MIGHT take some comfort in the fact that the times appear to be changing, if slowly. In fact, as Albertans grapple with the very real implications of King Ralph’s Fraser Institute-like policies—infrastructure deficits, environmental degradation, the growing gap between rich and poor—other think tanks are already enjoying something of a renaissance.

Perhaps the best example concerns the controversial review of Alberta’s oil and gas royalties. Parkland’s first study assessing Alberta’s royalty structure, in 1999, suggested it was inadequate. “The only media coverage we got said we were nuts,” recalls Acuña.

The Pembina Institute also waded into the debate, creating detailed models and providing a framework from which the government cribbed.

“If you take a look at the parameters of the royalty debate two years ago, which finally led to some changes, that’s a pretty clear indication of the space that’s been created in Alberta for a broader range of voices and ideas,” says Acuña.

It’s also probably no coincidence that the royalty review—which Klein maintains was a mistake—has something to do with the leadership of the Alberta Tories. Both Reynolds and Acuña say that the provincial government is much more open to ideas than it used to be.

“In the age of Ralph Klein, we were blacklisted,” says Reynolds. “Civil servants weren’t even allowed to talk to us. Now, Stelmach and [Minister of the Environment Rob] Renner are much more open to talking with us. The tar sands has made such a black mark on Alberta that they need to do something. They know we have some ideas about what the solutions might be.” ■

Jeff Gailus is a freelance writer and 37-year resident of Alberta. His family of “bums and creeps” moved from Toronto to Calgary the year the Tories first took power.