

of the war. However, it is to the future and not to the past that Manitoba is looking. Industrial leaders firmly believe that accomplishments in the next ten years will put past achievements

in the shade. They say Manitoba is on the threshold of the greatest industrial development of its history and will soon be truly known as "a province of industry."

Saskatchewan: Democratic Social Ownership

By GEO. W. CADBURY

TOO few people realize that right in the heart of Canada one of the major economic and social experiments of our time is being conducted. Too many people have an unreasoning and uninformed reaction to words like "socialism" and "public ownership" or "planning" and "Government directives" and all those other things for which the C.C.F. party stands. An objective study of democratic socialism at work in Saskatchewan would quickly dispel these fears and might perhaps convince such critics that because the pioneering spirit of the west has turned into new and constructive channels of a socialist character it represents a step forward from the familiar pattern of political life dominated by industry and finance. The achievements of the C.C.F. Government in Saskatchewan stand out as the solitary attempt by any portion of the North American continent to keep pace with the fast changing pattern of economic life in the rest of the western world.

Saskatchewan's Socialism Defined

An effective experiment in Socialism can only be made in an area that is within the same boundaries as those of a fiscal authority. The main features of a planned economy are those which only the control of prices, credit, foreign trade and taxation can give. So let no one be misled or traduced into believing that Socialism can be established in a

jurisdiction with such limited geographical and legal powers as a Province. Let them rather look for signs and indications of a socialist approach or socialist method in the present Saskatchewan economy.

Socialists are concerned with the fundamental question of organizing society so that each of its citizens shall give of his best and receive in return the best that society can give to him. From that point the argument becomes one of method rather than of objectives. As a method the social ownership and control of economic life is superior in the eyes of a socialist to that of private individual ownership and the consequent power it gives to individuals. If private ownership could be limited to reasonable units as it is in the case of the average farmer, the socialist would have little reason to demand a change. But, when large or key organizations, with the power to affect the lives of any great number of the people, are effectively controlled by a few and that power is abused, then socialists believe that those few should be replaced by the State or by a Co-operative Group who represent the bulk of the people affected.

Nationalization Explained

On the national scale, the State, provided its constitution is democratic and it is really susceptible to the public will, represents all the people, and it should therefore assume control over the major factors in our economic life. In nearly all forms of society it now governs foreign trade and monetary

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policy, and through taxation and credit applies deliberate pressures to achieve certain national ends. In other spheres, such as retail distribution where voluntary associations can achieve the same ends, then a Co-operative form of organization is superior to State intervention.

The socialist believes that the power of the State or the development of true co-operatives must be extended if the power of the irresponsible individual owner of capital and resources is to be curbed and these same capital and national resources exploited for the benefit of the greatest number. Price and credit policy will undoubtedly have to become the State's concern. Resources will have to be conserved for use when they are most needed in the interests of the community, and not necessarily for use when it serves the interest of some individual or small group of individuals who happen to have acquired legal title to them. In the same way, the exploitation of resources, the investment of savings, the expansion of industry, the raising of taxes or the extension of social services can all be made to serve the community in an integrated way by careful planning. The alternative for society is to be left at the mercy of a series of individual decisions that can lead us into an unplanned chaos of booms and slumps and even war.

A major means of bringing such forces under control is through the actual ownership by the State of key industries and services, like the Bank of Canada or the Railroads, which have long been recognized as a proper field for state ownership; or of such other major economic factors as the communication systems and mineral resources as the C.C.F. proposes. That is what is meant by Nationalization, and is not to be confused with the much more modest areas of socialization or social ownership that Provincial Governments or Co-operative organizations can undertake. It is a distinction that is fundamental to an understanding of socialist policy and to a

true appraisal of what the Provincial Government in Saskatchewan is attempting to do.

The Saskatchewan Programme

In Saskatchewan the C.C.F. Government has set out to achieve as one major objective, a redistribution of the available income among the people in as equitable a manner as possible. Without income tax powers or even the control over the major economic factors such as mortgage interest, wheat prices, freight rates, or foreign trade agreements, this is not easy. Unless and until there is a major redistribution of the Canadian national income and a recognition of the unity of Canadian society there can be no effective solution. The Saskatchewan Government has been in the forefront of the fight for redistribution on such occasions as the recent Dominion-Provincial Conferences and the Freight Rates hearings, and in the meantime some results have been achieved.

A substantial advance has been made through the medium of the Provincial Budget in redistributing taxes and grants raised from the wealthier members of the community to the less fortunate citizens by way of more adequate hospitals, medical care, pensions and social aid, than they have ever enjoyed before. The potential contribution of the whole community as producer has been raised by better education and by more assistance to the basic industry of the Province, Agriculture. The selling power and the purchasing power of the people have both been raised by the rapid expansion of the co-operative movement. The development of natural resources has been greatly stimulated and the search for minerals and oil accelerated. Good basic labour laws have eliminated some of the previous exploitation. Farm homes and land are much more secure from seizure since the vigorous application by the Provincial Mediation Board of a policy of relief from the crippling effects of crop failure. Corruption and graft have been

eliminated and a humanitarian as well as an efficient outlook has been introduced into the administrative system.

In the comparatively narrow sector of the Saskatchewan economy which is represented by industry and commerce great strides have been made and the industrial payroll has nearly doubled. It would however take many more such advances before industry and commerce become of any major importance compared with agriculture in the provincial economy. It is likely that extractive industries such as metal mining and processing, and oil and natural gas production and refining will become of major importance in the next ten years, but so far their development is still in the prospecting and research stage.

The Government in Business

The actual achievements of the C.C.F. Government in industry are still small in scale and in their potential influence on the stability of the Provincial economy, but to any but a prejudiced observer the indications of the superiority of socialist method are of great significance. Take for example the Saskatchewan Timber Board and the forest conservation policy of the Department of Natural Resources. When the C.C.F. came to power the forests of Saskatchewan were being alienated to ruthless private exploiters who were denuding them at a rate which would have ruined them within ten years. Only a few of the private operators understood or cared about the perpetuation of the forests on a sustained yield basis. The Government therefore began a threefold advance to save the forests. First of all they purchased as many of the private berths as possible and now hold about 80% of the whole forest area as Crown Lands. Second, they introduced stringent regulations on all forest activity, controlling the logging operations so that no more than 5% of the timber could be removed in any one year, and saving young trees

from the axe. Third, they set up a Timber Marketing Board which hires the previous operators on a contract basis and insists on them bringing out not only the high grade lumber but also the side lumber, the fuel wood, the pulp wood, the railway ties and the fence posts, and also takes responsibility for marketing all these products when and where they are most needed. As a result, and despite conservation measures, there are now more workers employed in the bush than before 1944. At a considerable sacrifice of income the Timber Board has sold the finished lumber on the Saskatchewan market and foregone the attractive price for export, and at the same time made a reasonable profit. Three things therefore have been achieved, the forests have been saved, the Saskatchewan consumer has had a chance to get lumber and build himself a home or a barn when lumber supplies were scarce everywhere else in Canada, the exploitation of the forest worker and the consumer have been eliminated and the previous profits which accrued to individuals in the U. S. A. or elsewhere have come back to the real owners of the timber, the people of Saskatchewan. These have been achieved by retaining the trees and the lumber in public ownership until they are ready for sale. The previous operator still participates in the business but now as a contractor at a fair price and paying fair wages, and the consumer, largely through the existing co-operative system of retail distribution, enjoys the savings.

Insurance

Another example is the Government Insurance Office. Here was a field from which very substantial private profit was being drawn, and due to the incidence of Dominion and Provincial taxation very little of these profits was coming back to Saskatchewan. Moreover, the people of Saskatchewan were not adequately protected. In the field of Life Insurance the Co-operative Movement

was already active when the C.C.F. Government was elected, and by agreement the Government stayed out of this field. In fire, automobile, casualty, and other insurance of these types there were the usual companies but none that was giving really adequate coverage. Only 10% of the automobile owners of the Province had any substantial insurance either for themselves or to care for their victims if they injured people on the road. Only by legislation could a comprehensive scheme have been introduced, and the Automobile Accident Insurance Act is a model example of how socialist principles can be applied to an every day problem. When the Saskatchewan motorist buys his license plate he pays a modest \$5 or \$6 in addition for a very complete insurance coverage. When he buys his driver's license he pays another \$1. For this he is protected against all major hazards to himself or his car, but even more important is the protection given to the innocent dependent of a highway victim who automatically receives compensation without any discussion of negligence or liability. Without legislation no such comprehensive scheme could have been so complete or so cheap. Without a Government Insurance Office to administer it, there would still be a substantial tribute to pay to private capital for its services.

Power

A third good example of the government in business is the Saskatchewan Power Commission. Founded by previous administrations for reasons which were hardly socialist, it was a small and unimportant factor in the provincial power picture in 1944. It owned a few transmission lines that no one else was prepared to build, and had acquired three generating plants on very onerous terms from cities which found themselves in need of cash during the depression. Since the C.C.F.'s election, the Power Commission has acquired all the

major private systems but one, is welding them into a single system with strategically located generating stations and an adequate transmission grid, and has reduced charges four times in four years. The number of consumers has increased rapidly, consumption per head has increased at the same time and Saskatchewan is now in sight of a power system at comparable rates to any other province with similar conditions. This was only possible because there was an integrated plan for dealing with the problem as a whole. This will be even more essential when the next stage of rural extension is reached, and yet more essential when the whole physical plan of Saskatchewan is developed so that highways, bus lines, power lines, and telephones—all government responsibilities—are welded into the plans for developing communal life among the scattered population of a grain farming country.

The General Picture

Distance and lack of water are Saskatchewan's two main problems. Policies of conservation of soil, water, natural resources, and improved methods of production from the land are the first necessity. The development of major services in health, education, insurance, highways, power, and the like come next, and in all these the services can be more efficiently supplied if a proper pattern of communal development emerges. It is impossible to service the scattered homes in which prairie grain growers established themselves 40 years ago, so they are moving to towns and villages where services can reach them. Such a movement requires a plan or a new chaos may emerge.

In Saskatchewan, therefore, you have a new experiment in an administrative machine which blends complete control by an elected cabinet with the modern techniques of planning. There is a willingness to grapple with the chaos caused by unplanned development under private

control, and if necessary for the government to intervene as operators themselves. There is a very determined policy of spending to the best advantage of the largest number of people the money that can be raised from Dominion or Provincial revenues. There is no hesitation in eliminating exploitation or discrimination. All these things are expressions of a basic Socialist and Co-operative philosophy and are of course a part of the most success-

ful experiment yet made in the British Empire to keep a government in close touch with the people who elected it to power. The continuous and vigorous series of annual conventions of the C.C.F. membership and the broadcasting of the debates of the Legislature are the finest guarantee of democracy offered to any electorate in Canada or perhaps in the world to-day.

Alberta: Towards Diversification in Industry

By HU HARRIES

ALBERTA has long been recognized as a potentially rich industrial area, but only in recent times has there been important development of its latent capacity. The war years provided the necessary stimulus to enterprise throughout the province.

The first gains came as a direct result of increased agricultural activity to meet the heavy demands of home and foreign markets. A great sales volume in grain, meat, milk and specialty products encouraged a gradual expansion in processing facilities. This movement eddied through the economy and caused a secondary expansion in the service industries and allied lines.

At the same time, an unprecedented exploratory program in the oil industry began to show results. The opening of the vast northland, with its untold mineral wealth, and the resumption of lumbering on a large scale prompted further developments. Power production was augmented as an increased demand became evident. Local fabricating plants sprang up, while improvements in roads enabled the tourist industry to make rapid strides.

These are the fundamental factors

which are contributing to a broadening of Alberta's industrial structure and a sound diversification of enterprise.

Agriculture

Industrialization deriving from agriculture was based at first on wheat and livestock. Prior to 1939 the production of flour, table cereals, butter, cheese and canned meats was firmly established, as was also seed warehousing. After that date, development centred on specialty lines.

Sugar production in the irrigated areas in the south has expanded rapidly. More than 700 million pounds of beets are processed annually, providing enough sugar for Western Canada. As an addition to the earlier mills at Raymond and Pitcher Butte, a third and larger plant has been brought into operation at Taber, while a fourth is now being planned for Brooks. When current construction on new irrigation projects is completed, the resulting increase in the supply of beets will permit greater production by the four mills.

Vegetable canning and freezing are new industrial phases of Alberta agriculture. The first plant to process vegetables was erected only ten years ago. Today there are four large concerns operating at Lethbridge, Taber, Magrath

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