

ANALYSIS OF KEYNOTE SPEECH:

"Natural Resource Management and Agriculture"

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The Midwest Conference on State and Local Public Policy, culminated in a joint assembly of both delegates and panel members on Saturday evening, November twenty-second, to listen to the presentation of the conference's special guest speaker and later to participate in a group discussion and exchange of ideas. Mr. Douglas MacArthur an experienced practitioner in the field of progressive political development, conveyed the accomplishments of Saskatchewan's political, social and economic spheres. He further illuminated many of the applicable complications dealt with during the province's development which are specifically germane to many of the problems experienced by progressive legislatures on the state and local levels in the United States.

Mr. MacArthur began his dissertation by briefly reviewing Saskatchewan's functional mechanisms.

Topographically, Canada's fifth largest province consuming 251,700 square miles of territory, lies within it's north-west sector. Of this territory over 50% is owned by the Provincial Government while approximately 3% is owned by the Federal Government. Despite Saskatchewan's vast amount of timbered lands only 134,000 acres on 1.1% has recently been cut over. This affords the province a future rich in wood and pulp production. The majority of forest land's are owned by the province yet an additional three million acres are operated by privately owned farm woodlots. Similarly, Saskatchewan is rich in mineral deposits. The northern third of the province is abundant in metallic minerals while also including valued deposits such as cadmium, platinum, silver, and lead, nickel and iron. Industrial minerals and fuel minerals occur exclusively in the south. Though Saskatchewan's fuel minerals do not make herself sufficient, crude oil reserves are estimated over one billion barrels.

Demographically, Saskatchewan's population, which has consistently remained between 900,000 and one million people, are predominantly rurally located with it's most dense regions being the "parklands" and along the margins of the prairies. It's cities are moderately industrial and comparatively small with Regina the provincial capital and Saskatoon the provinces foremost trade center, being the two largest. These municipalities contain 131,127 people and 115,892 people respectively.

Great strides in economic developments were accompanied by post World War II prosperity and reinforced through the discovery and extensive development of oil, natural gas, uranium and potash. By the 1960's well developed mining and manufacturing industries in addition to stabilizing agricultural mechanisms contributed toward Saskatchewan's balanced economy. In terms of production,

60% of Saskatchewan's gross value has come from non-agricultural sources. However Saskatchewan's staple resource is agriculture and agriculturally oriented industries. This vast resource compensates for over 50% of Saskatchewan's net value of profit. The raising of field crops is the most important branch of agriculture, and wheat is the most important crop. Acreage devoted to field crops have totaled well over twenty-eight million acres of which 70% is seeded to wheat. Both producer and consumer cooperatives play an important role in Saskatchewan's agriculture. The Saskatchewan wheat pool with over 85,000 members, administrators and develops intro-provincial systems, while Saskatchewan also participates in the Canadian Wheat Board which regulates intra-provincial development and foreign trade.

From a political perspective, Saskatchewan adheres to a Parliamentary mode of government. It's constitution is derived from the Saskatchewan Act of 1905 and the powers of government accorded to the Canadian Province by the British North American Act.

Saskatchewan is represented nationally in the Canadian parliament by 13 elected representatives in the House of Commons and 6 appointees of the federal government in the senate. Provincially, Saskatchewan's executive branch is headed by the Lieutenant Governor who is appointed by the federal government. The Minister acts on advice of his Executive Council whose head is the Premier. The Premier is the leader of the party and in control of the legislature. Executive Counselors must have seats in the legislature and are collectively responsible to it. The legislature itself is unicameral and it's 59 members are elected for five year terms. Rural and urban municipalities are established under provincial legislation however, largely sparsely populated areas, including the northern half of the province and various local improvement districts, haven't any local systems and are provided with the necessary services by the provincial government. Other local governmental bodies have been established to provide sources, particularly, school units and health regions.

Having related to mechanisms in which the framework of Saskatchewan's political, economic and social spheres are composed of, Mr. MacArthur emphasized that progressive legislation focusing on congruence with these situational factors have been the goal of its legislators. Essentially, this being the objective of the conference and its participants, Mr. MacArthur sought to convey the history of the Saskatchewan movement which culminated in 1944 with the formation of the first socialist government established north of the Rio Grande.

Since the creation of the province in 1905, the interests of farmers and farmer related organizations and the concerns of a large rural population have been the dominant influence on Saskatchewan's economic, political and social history. From the outset, farmers had collectivized in order to mobilize an efficient management-trade mechanism in order to diminish the strength of monopolistic private agricultural firms. Subsequently, farmer's organizations immediately forced concessions from the railroads in the matters of grain-handling facilities and later, in 1911, founded a cooperative elevator company for warehousing and merchandising grain, thus, combating the restrictions of private elevator companies. These early successes led to, in

1923, the formation of the largest cooperative corporation on the continent, the Saskatchewan Wheat Pool. This organization, crystalizing the interests and purposes of the farmers front led to the stabilization of wheat prices through collective selling and planned marketing. Economic planning through cooperative marketing was soon extended to dairy products, livestock and poultry. Soon the farmers front turned increasingly toward cooperative purchasing associations to improve their consumer strength. General merchandise in this category included fuel, gasoline and farm machinery. Farmer strength simultaneously verified the plausability of credit unions and experiments in cooperative farming were launched.

The growth of the provincial "Liberal Party" accompanied the development of the farmers collectivization movement. The party's long tenure in office, (1905-1929) (1934-1944) was attributed to it's ability to recruit leaders from farm organizations, incorporating farmer's views on domestic and national issues and provide for financial assistance of railway building, marketing cooperatives, government farm credit, public ownership of utilities and agriculture. Essentially, the Liberal Party attempted to cope with the peculiar problems of a predominantly one-crop (wheat) economy and meet the demands of a marginally rural population necessitating a high level of community services. Though the party did make substantial progress during these decades, the socially oriented farmer front would ultimately deem them insufficient. The pivotal factor promoting the transition between the progressive nature of the Liberal Party and the conventional formation of Saskatchewan's socialist government was the depression.

The socialists in the farm movement and the Urban Independent Urban Party were able to capture the ideological control of the new farmer-labor political movement as a result of the catastrophic depression and drought and the obvious inadequacies of the accepted rural institutions to cope with them.*

The years between 1930 and 1937 witnessing both drought and low wheat prices, culminated with two thirds of the rural population on government relief. During this period the socialist Co-operative Commonwealth Federation party (C.C.F.) unified support. Recruiting its leadership from rural farm organizations and organized labor the C.C.F. dedicated its strength to combat economic disparity and promote agrarian rights. Though the decade observed major revisions on the parties conception of socialized government structures, by the election of 1938, C.C.F. policy emphasized government planning and adherence to human services over and above strict compliance with governmental ownership of industry. Thus its emphasis was not a direct attack of simply private ownership and profit.

The purpose of the C.C.F. is the establishment in Canada of a Coöperative commonwealth in which the principle regulating production, distribution and exchange, will be the supplying of human needs. To this end a C.C.F. government in power in Saskatchewan would substitute social planning in the place of ruthless competition now practiced under capitalism.*

* All quotations taken from S.M. Lipset's Agrarian Socialism.

Fundamentally, the policy of the C.C.F. was to insure the liberty of private ownership of land and enterprise through the socialization and government ownership of natural resources and public utilities.

In continuing to advocate the nationalization of such industries, the C.C.F. was not clashing with any of the private property values of the agrarian, but rather it had become the political voice of the traditional agrarian economic protest movement. . . . Socialism henceforth was to mean the protection of his property, by control of the rest of the economy, and especially big business.

While modifying it's goal of total socialization the C.C.F. simultaneously continued it's emphasis on the extension of social services rendered by the state, such as social security, health and education.

All C.C.F. literature and programs since the start of the party have urged government protection against illness, accident, old age and unemployment, increased funds for education, and socialized medicine. These social security aspects of the party's doctrine gradually assumed greater importance in its propaganda as the stress on socialism declined, until today it is the most important part of the provincial program.

Modifications and reorganization of party doctrine accompanied by the rapid growth of party membership manifested in C.C.F. political victory in 1944.

Post-war prosperity and the yielding of better crops enabled the C.C.F. to immediately implement many of it's programs. The party increased expenditures and improved administrative capacities of virtually all health, education and social services. Hospitalization of the entire population was initiated. The C.C.F. broadened the sphere of "crown" corporations, governmentally controlled state companies. They continued the support of cooperative movements and further enhanced the demands of grain growers and domestic and national economic policies. Additionally, advanced farm labor systems and farm security legislation was promoted. Public ownership was extended to bus and air transportation, insurance and manufacturing facilities. Compulsory car insurance was devised. The C.C.F. encouraged "crown" mineral exploration and industrial development, while strictly supervising the exploration of it's natural resources in the private sector. By 1960 new measures were established to provide advanced sewerage and water systems to facilitate farms and small urban communities. "Crown" crop insurance under complementary dominion and provincial legislation was secured. In 1962 an entire compulsory pre-paid medical program was developed. While 1964 witnessed the institution of an entire tax reduction system.

While the C.C.F., which is now entitled the New Democratic Party, twenty years tenure in office was temporarily suspended in 1964, it has and is presently creating, new and innovative mechanisms to provide progressive

measures to insure representative equality of Saskatchewan's inhabitants. Through the implementation of a planned socialized economy and the regulation of production and services, Saskatchewan's "crown" corporations have extended an influence on Agriculture, Natural Resources, Land Utilization, Social Services, transportation, insurance, utilities, media, housing, employment, manufacturing and various other agencies of community programming. Essentially, the spirit of the C.C.F. which stood for the issuance of legislation in representation of fundamental human needs specific to its predominantly rural populace, culminated in a successful implementation of socialized facilities. As Mr. MacArthur commented, this was and presently remains Saskatchewan's underlying quest, and should always be the foremost concern of all legislators who are cognizant of its electorate's necessities.

Having synthesized the formation of the New Democratic Party and illuminated many of its progressive accomplishments, Mr. MacArthur focused on the development of one specific "crown" corporation recently established in the past five years. The Minister's intention was to illustrate contemporary legislation with respect to the New Democratic Party's continuing concern for progressive planning.

Mr. MacArthur explained that Saskatchewan had been experiencing complications in the area of farm population and as a result was witnessing the development of an unequal status between farmers due to large farm concentration. Essentially, the rural population was experiencing a decline while the centralization of the provinces cities were heightening, subsequently causing a diminishing role of the small farmer in contrast to rapidly consolidating large farm-organizations. Reinforcing his major theme, Mr. MacArthur explained that Saskatchewan's legislators, cognizant of this rural phenomenon, immediately undertook preparations to formulate governmental legislation in order to restore an equilibrium between farm production, reinstate plausible means to acquire land as to promote greater land participation and finally, agree upon measures to insure an audience of monopolistic ventures in the area of agricultural development; the overriding goal in which the N.D.P. is committed to. In lieu of its farm crisis, this decision-making scenario was adhered to by Saskatchewan's provincial legislature and its remedial manifestation was the creation of the new governmentally owned and operated Land Bank.

The essential purpose of the Land Bank is to governmentally purchase and lease land in order to discourage private profit, which had in the past made small farm investments increasingly impossible. This system of land acquisition and leasing procedures is the first one of its nature, unsurpassed by any prototype planning.

Methodologically, the system prevents any corporation from purchasing "crown" territory, however, does not eliminate joint investments or venture capital on the part of Saskatchewan citizens. The allocation of grants for this latter purpose is reviewed and decided upon by the Government Finance Corporation, a "crown" facility devised to research government assistance and insure proper governmental spending. Similarly, the Land Bank restricts non-residential investors to a 640 acre purchase. This measure decreases outside monopolistic ventures and extends the amount of land available to Saskatchewan's people.

Procedurally, the Land Bank acquires land which can sustain one or more farm-lots and whose agricultural capacity is deemed sufficient to utilize. The Bank reviews its acquisition proposals and accepts them on the basis of organized assessment data, with its first priority human needs or hardships on the part of the owner. Having concluded a purchase, the Land Bank appraises the land-parcel and subsequently computes its worth at its lowest possible cost. The land is then subject to that fixed price-rate; the Land Bank does not pressure negotiation for competitive bargaining. Once the deed is made public, it will maintain an average of fifteen to twenty perspective buyers. The Land Bank will review each application in terms of the buyer's necessity. It will consider, for example, the applicant's net worth, present income (if any), family status, age, health, utilization intentions and farming abilities. Once the application has been approved, the purchaser is then entitled to a life-time lease whereby at the age of sixty-five he can re-negotiate short-term agreements or allocate his deed to his dependents. The buyer has the option of acquiring his newly attained land through cash or can utilize a governmental bond rate of interest. If the purchaser decides upon the latter procedure, he can benefit from the aid of the Saskatchewan Land Start Corporation, a "crown" company which was developed with the sole intent of governmentally assisting in new farm financing. This system allows the buyer a grant in proportion to his net worth; a procedure which has immensely alleviated private financial restrictions.

Thus the Land Bank in conjunction with its affiliated crown corporation the Government Finance Corporation and the Saskatchewan Land Start Corporation, have begun to establish a new means of representative land utilization by and for the interests of the people. Acting in response to the necessity of maintaining fair agricultural benefits, in the face of a seemingly contradictory trend, the Saskatchewan Land Bank has reinstated the protection of small producers of competitively trade with the reassurance of stable profit returns. The rights of the individual agrarian, whose numbers substantiate the provincial population, have been maintained. Saskatchewan's legislators have successfully utilized the potential of governmental participation to assist in the fundamental preservation of representative agriculture.

Proceeding from his analysis of recent accomplishments, Mr. MacArthur examined future legislative issues. His micro-analysis examined the development of the potash industry in Saskatchewan.

Mr. MacArthur explained that the Province is abundantly rich in this mineral essential to fertilizer production. In fact, Saskatchewan holds the greatest resource of potash in the world, constituting one-fourth of its known supply. These holdings have been estimated at one-hundred-billion tons and in conjunction with the current market price, mines have been approximated at \$1.5 billion.

Obviously, if potash resources were governmentally owned it would represent an irrefutable opportunity to foster economic and social stability in Saskatchewan. However, the industry is presently controlled by a group of United States' corporations who are quite cognizant of the potash industries lucrative potential. Thus, maintaining the conception that a province's

natural resources belong to its inhabitants and should be utilized for their benefit instead of the profit of large monopolistic corporations, the New Democratic Party has introduced a Bill to embark upon the largest nationalization attempt in the Western Hemisphere --larger than that of the nationalization of the Venezuela oil fields or the Chilean copper mines. Mr. MacArthur stressed the difficulties in pursuing such an enormous under-taking, yet once again he emphasized the consistent theme of the entire address, in that, the role of the progressive legislator is to seek out every possible measure to insure that all inherent capacities of a state should be utilized to aid the life-style and living conditions of its inhabitants. In corroboration with this fundamental axiom Saskatchewan legislators are once again prepared to assume the struggle, concert the effort and remedy a formula in order to enhance and protect the fundamental and visionary words of 1938:

. . . the principal regulating production, distribution and exchange will be the supplying of human needs. To this end a C.C.F. government in Saskatchewan would substitute social planning in the place of ruthless competition now practiced under capitalism.

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From the Reader of the Conference on Alternative State & Local Public Policies held June 10-13, 1976 in Austin, Texas. The reader was edited and compiled by Derek Shearer, California Public Policy Center Los Angeles, California and Lee Webb, Professor of Public Policy, Goddard College Plainfield, Vermont.

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