

1998 MARY DONALDSON MEMORIAL LECTURE

Public Enterprise in Saskatchewan THE TIES THAT BIND

by Don Ching

Madame Chairperson, ladies and gentlemen. Thank you, Madame Chairperson, for your kind introduction and my thanks, also, to your organization for giving me this opportunity to present some remarks.

Given the impressive list of speakers who you have invited to give the Mary Donaldson lecture series in the past, I am most flattered, and a little intimidated, to be asked to present this year's lecture.

The topic which I have selected for this lecture is public economic investment in Saskatchewan and why the people of this province have been such strong supporters of government owned and operated economic enterprises.

Public views of government investment have changed dramatically in the last 50 years. From the 1950s to the 1970s, there was a widespread belief in public ownership through our governments. This is not a concept limited to Saskatchewan or Canada. In many quarters, there was a belief that society could own and operate large parts of our economic society.

We felt public ownership could be a vehicle to develop our economy and allow local ownership and control of the main commercial enterprises in our society.

In the 1980s and 1990s this belief system changed dramatically. The last 20 years represent a period of great disillusionment with government generally, and government ownership of commercial enterprise in particular. Evidence of this disillusionment takes many forms but the obvious is privatization and government divestiture.

Government is routinely castigated as bureaucratic, bloated and inefficient. So great is our disillusionment with government that surveys routinely show that faith in politicians has fallen below 10 percent. We feel our government overtaxes us, wastes money, and should get out of the business of "running business."

What an amazing change this represents from beliefs of the 1950s, '60s and '70s and the transformation is, and should be, particularly disturbing to those of us who believe in public ownership and have spent a significant portion of our work life as part of government management. An analysis of this disillusionment must await some other lecture as it is not the theme of my lecture tonight.

These two general belief systems, namely, the belief in the 1950s, '60s and '70s in support of public ownership and the negative attitude towards public ownership in the 1980s and '90s, interact with local political ideology.

Traditionally, the so-called political left favours public ownership and resists privatization, while the so-called political



Don Ching, President and CEO of SaskTel, presented the Mary Donaldson Memorial Lecture at Friday night's banquet.

right has eschewed collective action using government in favor of individual ownership in a free marketplace.

However, even conservative governments across Europe and North America engaged in the expansion of government's role in the economy in the '50s, '60s and '70s, whereas, even left-leaning governments have moved away from public ownership in the 1980s and '90s.

Some would look at Saskatchewan and say that we, too, have gone through this same metamorphosis. Look at the expansion of Crown corporations in the 1950s, '60s and '70s.

Then, note the privatization of Crown corporations in the '80s and '90s. To some extent this is a valid analysis, but I would argue, too narrow.

In fact, in Saskatchewan, public commercial ownership takes more forms than just that of Crown corporations. If one looks at all public commercial ownership, not just Crown corporations, the picture is somewhat different. Since the Second World War, Saskatchewan had five separate governments and six premiers. From 1944 to 1964 the government was controlled by the CCF (Cooperative Commonwealth Federation), led by two Premiers - Tommy Douglas and Woodrow Lloyd. For those from outside

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Saskatchewan, it is safe to describe this government as on the left of the political spectrum.

From 1964 to 1971, Ross Thatcher led a government controlled by the Liberal Party which, despite its name, would be from the conservative side of the spectrum.

From 1971 to 1982, the New Democrat Party, the NDP, under Allan Blakeney as Premier, held office. The NDP is short for, and it is, simply the CCF under a new name, and hence it too represented the left of the political spectrum. In 1982 the government returned to the right with the Progressive Conservative Party under Grant Devine and finally, and most recently, in 1991, Mr. Devine relinquished government control to our present government again, the NDP. Interestingly then, since 1945 we have had 37 years of left-leaning government and 16 years of right-leaning government in the province of Saskatchewan.

When one looks at all commercial public investment, one sees that each government has left office with greater public investment than when they entered office. (REFER TO CHART)

The left-leaning governments of Douglas, Lloyd, Blakeney and Romanow supported public ownership, and hence one is not surprised to find total public ownership expanded during their time in office. What is more surprising, and less widely known, is public ownership expanded also under the two right-wing governments of Ross Thatcher and Grant Devine, despite much rhetoric on the part of each government supporting privatization.

Nevertheless, the statistics show that Premier Thatcher expanded Crown corporation investment, and while Premier Devine favored joint ventures over totally owned government Crown corporations, the amount of government commercial

investment increased under this government as well.

Thus, the statistics clearly show that during the period of time which I referred to at the outside, that is 1950s to the present, both during the period of time in the 1950s, '60s and '70s of general acceptance of public commercial ownership, and the period of time of public disillusionment with government ownership in the 1980s and '90s, total public commercial investment in Saskatchewan has continued to expand, and that expansion has taken place under left-leaning, as well as conservative, free enterprise in government.

What explains this acceptance of public investment by Saskatchewan governments of varying political beliefs? It is my argument that Saskatchewan governments accept public investment because a majority of people in this province are prepared to accept it.

In fact, that acceptance long predates the last 50 years. As early as 1901, four years prior to Saskatchewan becoming a province, the territorial government sold hail insurance to farmers. In 1906, three creameries were owned and operated by the provincial government. In 1907 the government developed and operated a coal mine. In 1908 the province acquired the embryonic telephone system built by Bell Canada. This entity has since grown into SaskTel. The forerunner of SaskPower was established in 1929. Collectivist economic behavior came to Saskatchewan in this region in 1870 to 1920. In fact, that collectivist economic behavior manifested itself in support for government enterprises and in the co-op movement.

The reasons why Saskatchewan society was so accepting of public investment and public ownership are obscure. Any analysis of the origin must be as imprecise as a societal examination. However, allow me to offer some personal observations, more to stimulate thought rather than to suggest I have a definitive answer.

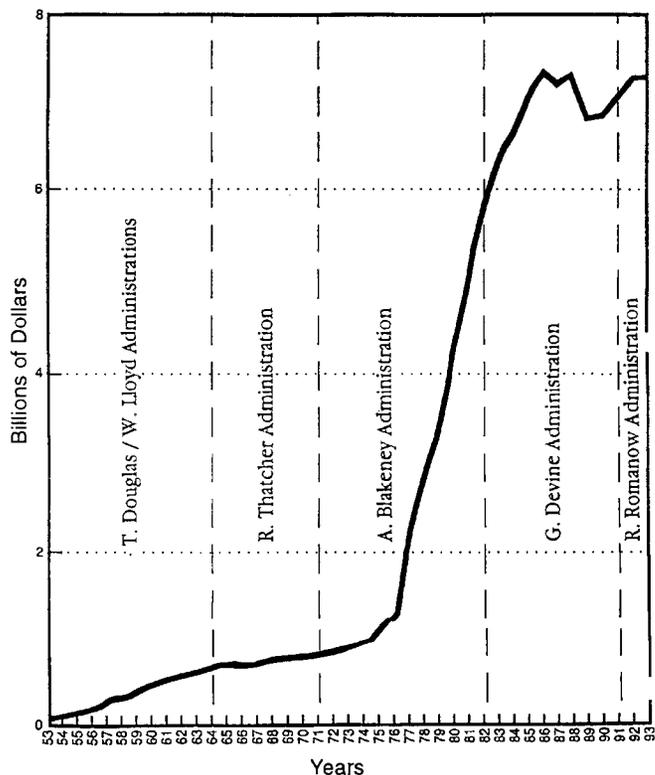
Many people who flooded into Saskatchewan between 1870 and 1920 came because they, as individuals, decided to seek out this region and settle here to secure farmland. However, a large portion of the people who came here were actually recruited by the Federal government.

In fact, the Ministry of the Interior between 1890 and 1910 set up recruiting offices throughout Central Europe to encourage immigration to Western Canada. These recruiting offices were active in Poland, the Ukraine, Russia, Czechoslovakia, Romania and Hungary. In some circumstances, financial support for immigrants was given by the Canadian government to assist with the costs of sea travel. Upon arrival in Canada, the Canadian government assisted in arranging train travel to Western Canada, and even supplied some farm implements and farm animals to get the new immigrants started.

When immigrants arrived, they saw a rudimentary form of law and order preceded them—in the form of the North West Mounted Police, the forerunners of the Royal Canadian Mounted Police, the RCMP.

We need only compare this experience in Western Canada to the new arrivals to the northern region of the United States. On their own initiative, most settlers flowed into Minnesota, North Dakota, South Dakota and Montana. Far from being encouraged to settle in those states, the American pioneer actually moved into this region over the objection of the United States government. The US government saw the northern plains region as Indian Territory and initially attempted to discourage European immigration into the region. In fact, American pioneers

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into the northern plains were met by hostile natives and had to look to their own defence for most of the early settlement period. Thus, American settlement in the northern plains was built on a strong sense of individualism and individual initiative.

It is perhaps not surprising that the culture immediately south of the 49th parallel still contains a strong flavor of suspicion toward government.

North of the 49th parallel, immigrants were present at the active instigation of government. Many of those immigrants who came from Central Europe came from almost feudal circumstances where dependence upon governmental authority was an accepted norm. They were assisted at every turn by government, including being offered a prize that only a few had ever dreamed of—owning land. The *Homestead Act* gave them a chance to acquire land from government for virtually nothing, provided they lived on the land and improved it for a period of time.

Their homesteads were marked out by government and protected by an arm of the government, namely the Royal North West Mounted Police.

Within a short period of time, these immigrants found they could actually participate in, and even control, the government that had been such a large part of their arrival in Saskatchewan. This was especially true of their provincial and municipal governments. To this day, reducing the size of the Saskatchewan local government is viewed with roughly the same level of suspicion as the expansion of local government is viewed just south of the border.

Allow me to pause and restate that these are broad generalities borne of my own observations, and I do not pretend to imply that all people in Saskatchewan, or in the Northern

United States, spring from the same heritage or have the same life experience. Nevertheless, I believe our receptiveness of public ownership in Saskatchewan has some of its roots in the view of government as an economic development device embedded in the minds of many of the first European settlers in this province.

They saw government as the engine that brought them to the prairies. Government was the creature that provided them with the land and some of the implements to work it with. Government was the entity that provided security for the landholding and their livelihood, and finally, government could be influenced and controlled by the average person. The fundamental receptiveness was set in the psyche of the people of Saskatchewan, on which a policy of government ownership and government investment could be fashioned. That fundamental receptiveness has transcended all political parties and resounded the full effects of the disillusionment of the 1980s and '90s to a greater extent than any other region in North America.

You will know by now that I claim neither to be a sociologist nor a geographic anthropologist. I offer my comments to you without any suggestion that they completely explain public ownership in Saskatchewan but as a resident of this province, and a person who has devoted much of my work career to management in the public sector of Saskatchewan, I continue to be fascinated by the significance of the public investment to the economics of this province and receptiveness of the people of this province and the government of all political persuasions to expanding public investment in this province.

Once again, thank you Madame Chair for the kind words, and thank you again for the opportunity to give this lecture and to be here this evening. Good night.

Mary Elizabeth Donaldson 1908-1966

Soon after Mary Donaldson's death in 1966, the Saskatchewan Library Association appointed a committee to consider what form the Association's tribute to Mary Donaldson's life and work in the province should take. At the Association's annual convention in May 1967, Miss Barbara Kincaid, chairman of the committee, proposed that a series of annual lectures be set up and that they be known as Mary Donaldson Memorial Lectures. Miss Kincaid suggested that the lectures should be given by leaders in the field of library science or closely related fields. These proposals were endorsed by the convention. While the lectures are designed primarily for librarians in the province, they are open to the public in the belief that library trustees and friends of libraries will also find them thought-provoking and challenging.

The Mary Donaldson Fund, which finances the series, is supported yearly by individual members of the Association, library boards, library associations, library trustees, friends of libraries and friends of Mary Donaldson. With support such as this the lectures have become a permanent and valuable part of the continued expansion of library services in Saskatchewan and a fitting tribute to Miss Donaldson's part in that expansion.

