

## **“Explaining the Saskatchewan NDP’s Shift to Third Way Social Democracy”**

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### **Introduction**

Since the election of Tommy Douglas’ first Co-operative Commonwealth Federation (CCF) government in 1944, Saskatchewan has been considered the home of social democracy in English Canada. This paper begins by briefly describing the ‘traditional social democracy’ of CCF-NDP governments in Saskatchewan from 1944 to 1982 which was characterized by the expansion of universal social programs, the use of public investment and state intervention as a tools of economic development, the imposition of labour code reforms on business and the creation of public enterprise for essential services and the extraction of natural resources. The paper then describes the shift of the NDP government in the 1990s to ‘Third Way’ social democracy which focused on the maintenance of public enterprise for essential services, the attraction of external private investment as the principle means of economic development, the search for a consensus between employers and unions on labour code modifications, the rationalization of universal social programs and the expansion of targeted social programs. Subsequently, I explore reasons for the transformation of the Saskatchewan NDP from traditional to Third Way social democracy. It is argued that a number of interrelated international and domestic factors were responsible for this transformation such as increased trade, restrictions on public ownership by free trade agreements, the privatizations and massive debt and deficit of the Devine Conservative government, cuts to federal transfer payments and the dominance of the right wing within the NDP party. Finally, I explore the limitations of alternative explanations put forth by other researchers to explain the emergence of the Third Way in Saskatchewan.

### **Traditional Social Democracy in Saskatchewan (1944-1982)**

Traditional social democracy in Saskatchewan can be associated with the CCF government under the leadership of Tommy Douglas and Woodrow Lloyd from 1944 to 1964 and the NDP government under the leadership of Allan Blakeney from 1971 to 1982. A primary characteristic of these governments was the creation and expansion social programs which were universal in nature. In 1946, the CCF government passed the Saskatchewan Hospitalization Act which provided free hospital services to all Saskatchewan citizens upon payment of a \$5 per person or \$20 per family annual premium.<sup>1</sup> The government also created an air ambulance service which charged \$25 a trip regardless of the distance traveled and provided free mental health institutions. In 1962, the CCF created an integrated, government run Medicare system providing hospitalization, visits to the doctor and preventative health programs such as immunization. In the area of education, the Douglas government created a plan in 1947 to provide free textbooks to all of the province’s elementary and secondary school children.

The Blakeney government also created universal social programs. One of the first actions of the new NDP government was to introduce legislation to abolish both deterrent fees and health premiums making Medicare universal and free within the province. The government began to provide free hearing tests, sell hearing aids at cost and include chiropractic services under Medicare as well as providing free prostheses, orthotics, wheelchairs, canes, crutches and walkers. The two

largest and most expensive programs added by the NDP to the provincial welfare state during the Blakeney years were the Dental Plan and Drug Plan. The Saskatchewan Dental Plan provided free dental care in schools to children under the age of 12 through the use of teams of dental therapists stationed in schools who were qualified to perform basic procedures while more complex cases were sent to dentists.<sup>2</sup> The Saskatchewan Drug Plan provided approved prescription drugs to all Saskatchewan residents for a dispensing fee of \$2.25 which was a considerable fee considering the average cost of a prescription at the time was \$4.25.<sup>3</sup> In its first term, NDP initiatives in education included the removal of Thatcher's arbitrary pupil-teacher ratio, grants to ensure that kindergarten was offered on a province-wide basis, expansion of the province's regional library system to cover the entire province and a crown corporation to provide audio-visual materials for schools. The government also launched the Saskatchewan Student Bursary Program which was a system of non-repayable bursaries for university and technical institute students based on need, established scholarships for Grade 12 graduates based on academic merit and re-introduced the Saskatchewan student loan plan which had been eliminated by the previous Liberal government.

While it could not be considered a universal social program, both the Douglas/Lloyd and the Blakeney government routinely increased social assistance rates during their time in power. However, unlike the Douglas/Lloyd CCF governments, the Blakeney NDP government went beyond just providing generous assistance rates to actively attempting to help people get off social assistance. The Employment Support Program was created in 1973 to employ recipients in short-term community works projects in order to provide them training and allow them to improve their employability.<sup>4</sup> The program was voluntary for social assistance recipients and provided special features to facilitate participation such as counselling, daycare and transportation. Similarly, the Family Income Plan was introduced in 1974 to give income supplements to low-income families depending upon their number of children.<sup>5</sup> This program targeted the working poor who were not on social assistance and was intended to "give these people a chance to break out of the recurring cycle of poverty and at the same time provide an incentive to work rather than receiving Social Assistance payments".<sup>6</sup>

Another dissimilarity between the Douglas/Lloyd government and the Blakeney government was that the NDP government of the 1970s believed that the provincial government should be actively involved in the area of housing through the construction of public housing, rent control, senior citizen home repair grants and tax incentives for homeowners.<sup>7</sup> The Saskatchewan Housing Corporation was established in 1973 to construct and renovate housing for low-income groups and give loans for mortgages. The Housing Corporation provided grants to low-income seniors and families to make house repairs and created a land assembly to curb real estate speculation and reserve urban land for future development at affordable prices.<sup>8</sup> In its third term, the NDP government also responded to extremely high mortgage rates through grants for homeowners whose mortgage rates exceeded 15% annual interest, shelter allowances for seniors and increase funding for public housing construction.<sup>9</sup> Further, the government passed the Saskatchewan Homeowners Security Act which prevented foreclosures on homes due to non-payment of mortgages for a one year period.<sup>10</sup>

In order to pay for these expansions of the provincial welfare state, all three of these traditional social democratic governments raised government spending. After adjustment for inflation, the Douglas/Lloyd government quadrupled its spending through higher transfer payments from the federal government, higher resource royalties, higher profits from its Crown Corporations and raising taxes such as health premiums and sales taxes. Once the Saskatchewan government gained the power to levy its own income taxes in the 1962-1963 fiscal year, the Lloyd government

increased corporate and personal income taxes each by 1% in order to pay for the costs of Medicare.<sup>11</sup> The Blakeney government increased spending by 80% during its time in mostly through higher resource royalties and higher transfer payments. Unlike the CCF government, the Blakeney government instituted 'progressive tax reductions' which are tax reductions which lowered the tax burden on low and middle income earners while the taxes of corporations and high income earners slightly increased.

One of the Saskatchewan CCF-NDP's main ideas in terms of economy policy was the use of public investment and state intervention as a method of job creation and economic development. CCF-NDP governments' annual budgets of this period were filled with the construction of local projects, beautification of small town streets, new schools, new highways, new provincial parks, construction of public housing, property improvement grants, youth employment programs, irrigation projects and the expansion of telephone service to rural areas as ways to boost the economic growth and provide employment. The CCF government established the Industrial Development Office (IDO) in 1950 to provide loans and grants to industry to entice it to come to Saskatchewan. The two biggest successes of the IDO were the creation of the Saskatchewan Cement Corporation and IPSCO which operated a steel plant. Similarly, the Blakeney government instituted a number of programs to give loans and grants to secondary industry and to promote the local transformation of agricultural products.

Both the Douglas/Lloyd and Blakeney governments embarked on extensive state intervention in the area of agriculture. The first act passed by the Douglas government was the Farm Security Act which prevented the eviction of a farmer from their home quarter-section of land and stipulated that payment on the principal of a farmer's mortgage be suspended for one year in the event of a crop failure.<sup>12</sup> In 1949, the Rural Electrification Act was passed which mandated the Saskatchewan Power Corporation to provide power to any rural area where 65% of farmers "signed up" for it.<sup>13</sup> Over the next ten years, 80,000 farms were to receive electricity under this program.<sup>14</sup> The CCF government also launched programs in land rehabilitation, irrigation, machinery testing and the opening up of new farmlands in the north of the province during the 1950s. For its part, the Blakeney government created the Land Bank which purchased farm land which was available on the open market and then leased it back to young farmers guaranteeing them tenure until the age of 65 and with the option to purchase the land after five years of leasing it. The Saskatchewan Farm Ownership Act was passed in 1974 which restricted the amount of land that foreigners or corporations could own. Whereas the CCF government had been unsuccessful in convincing non-grain producers to adopt orderly marketing practices, the Blakeney NDP government persuaded producers to approve a mandatory single-desk marketing agency for hogs and created the voluntary Saskatchewan Beef Commission. The NDP government also created three Crown Corporations in the area of agriculture. The FarmStart Corporation provided loans to young farmers who were unable to obtain credit, the Saskatchewan Trading Corporation exported agricultural products to world markets and the Crop Insurance Corporation administered the expanded federal-provincial crop insurance program.

The Douglas/Lloyd and Blakeney governments imposed a number of reforms to labour code upon the province's businesses. For instance, the Douglas government created a Department of Labour, legislated two weeks of paid holidays to all employees, increased workers' compensation rates, raised the minimum wage, imposed a 44 hour work week and passed the Trade Union Act which entrenched collective bargaining rights, made union certification easier, established a labour relations board and created penalties for unfair labour practices.<sup>15</sup> The Blakeney government also made amendments to the Labour Code which included enshrining the right of an employee to

obtain a leave of absence to run as a candidate for public office, 3 to 4 weeks annual vacation, reduction of the work week to 40 hours, mandatory 'time and a half' pay for overtime work, an extra statutory holiday and rules which made it easier for the labour movement to strike, organize new unions and bargain.<sup>16</sup> The Blakeney government also made it mandatory for companies with over ten employees to establish joint employee-management health and safety committees and gave employees the right to refuse what they believed to be unusually dangerous work and the right to know the dangers associated with the chemicals they handled.

The Douglas government created several public enterprises for essential services during its first term in office. The Saskatchewan Power Commission under the Liberals had acted as a regulator of the province's numerous private and municipally owned power companies. The CCF government directed the Commission to buy up small local power companies around the province. Once a significant number of these small companies had been purchased the government created the Saskatchewan Power Corporation which became a state-owned province wide electrical network with a monopoly on the generation and distribution of electricity. The Scott Liberal government had created a government department of telephones in 1908 in order to regulate and provide infrastructure to local co-operative and private telephone companies and to provide publicly owned long-distance service. The CCF government consolidated these operations and created Saskatchewan Government Telephones in 1948 as a crown corporation with a monopoly. The Saskatchewan Government Insurance Office (SGIO) was established in 1945 to provide low cost commercial, house, fire, harvest, accident and farm machinery insurance. The government also introduced a compulsory, no fault, and publicly-owned auto insurance plan under the SGIO. The government created the Saskatchewan Transportation Company to extend bus service to areas previously not served and Saskatchewan Government Airways to provide service to the northern half of the province.

Despite the CCF's commitment to place natural resources under public ownership during their time in opposition, the Douglas government did not create public enterprise for the extraction of the province's oil or potash. The CCF cabinet and bureaucracy felt that it had no alternative to the private development of these natural resources because the government lacked the necessary capital, did not have the technical or managerial expertise, did not want to undertake the risk associated with investments in these areas and it would have to fight its way into markets already controlled by multinational companies.<sup>17</sup> The government was more aggressive with its public ownership strategies of natural resources in sparsely populated north of the province. The publicly-owned Saskatchewan Timber Board was created to buy, process and sell timber products which had been cut on contract by private operators. The CCF government also set up the Saskatchewan Fish Board to market fish bought from private fishermen and to operate a small number of fish filleting plants. The Saskatchewan Fur Marketing Service was established to clean, store, polish and auction furs which had been bought from trappers, to enforce quotas to ensure the conservation of the resource and eliminate trappers who were not residents of Saskatchewan.

The Blakeney government maintained the Crown Corporations for essential services that the CCF had created and expanded public enterprise into the areas of oil, potash and uranium. The government created the Saskatchewan Mining Development Corporation (SMDC) whose exclusive focus soon became joint ventures with large multinational uranium companies. As such, the NDP government passed a law which ordered companies to offer SMDC 50% equity within the all uranium properties of the province that were purchased after 1975. Following a dispute with the federal government and oil companies over the collection of oil royalties, the Blakeney government nationalized, with compensation, oil and gas freehold rights of 25 companies within Saskoil.<sup>18</sup> A

similar dispute over the collection of royalties with the federal government and potash companies led to legislation enabling the provincial government to acquire by purchase or expropriation “some or all of the producing potash mines in the province”.<sup>19</sup> Anxious to avoid expropriation, the NDP government offered generous compensation levels and acquired 40% of the province’s potash production capacity by April 1978 through voluntary sales.<sup>20</sup>

### **Third Way Social Democracy (1982 to 2000)**

The creation of Saskatchewan’s large deficit in the 1990s was due to both economic and political factors. It is clear that a combination of the Devine government’s low taxation policies and slow economic growth due to the reduction of natural resource prices and the collapse of the province’s agricultural economy led to decreased revenues for the provincial government in the 1980s.<sup>21</sup> Despite such depressed revenues, the Conservatives continued to overspend throughout their mandate leading to a substantial deficit being inherited by the NDP when they took power in 1991. The primary idea of the Romanow government in reaction to this situation was to eliminate the province’s deficit as quickly as possible through increases to the province’s corporate income taxes, higher consumption taxes (sales, gas and tobacco), a surtax for high income earners and spending cuts. As such, I estimate that approximately 68% of the deficit was eliminated due the rise in the government’s revenue primarily attributable to the strength of the resource sector resulting in higher resource revenues and the NDP’s increases to corporate, sales and fuel tax rates.<sup>22</sup> The remaining 32% of the deficit was eliminated through spending attrition, particularly in the areas of health, agriculture and highways. In its second term, the Saskatchewan NDP government introduced a mix of progressive and regressive tax changes. It decreased the sales tax from 9% to 6%. However, it also implemented a regressive tax measure by reducing the overall provincial tax rate for personal income tax by 2%.

Unlike the Douglas, Lloyd and Blakeney governments, the Romanow government rationalized instead of expanding Saskatchewan’s universal social programs in the areas of health and education. In fact, the NDP government initially cut spending in health and education in its first term and did not restore these cuts until the end of its second term. The cuts in the area of health forced the closure of 52 small rural hospitals while the cuts to the funding of education system were mostly carried out through increasing class sizes, reducing administration costs and limiting the building of new schools and new school infrastructure.<sup>23</sup> The main idea of the Romanow government in health and education became to attempt to improve services while containing costs. The Finance Minister for the NDP argued that “We are doing more with less. We are streamlining the services we deliver to Saskatchewan people...we are improving public services by rationalizing the delivery of those services”.<sup>24</sup> The primary way that the Romanow government achieved these two seemingly contradictory objectives of containing costs while improving services was to focus on providing enhanced health and education programming to targeted groups instead of the creation of new universal benefits. As such, the Romanow government created numerous targeted social programs such as expanded home care for seniors, pre-kindergarten programs in inner-city neighbourhoods, housing in the north and low-income urban areas and grants for single parents to attend university. Further, the government’s Child Action Plan evolved into a large number of small and targeted programs for children and families, many of which were ran in co-operation with local non-profit organizations. These programs included outreach mentoring programs for at-risk youths, strategies to address Fetal Alcohol Syndrome, support services for students with

special needs, programs for youths involved in prostitution and chronic young offenders, programs for students with illiterate parents and young parent support programs.<sup>25</sup>

Due to the Conservatives' cuts to social services, the Romanow government felt that it was necessary to make large increases in funding to social services in its first term but made much more moderate funding increases in its second term. In reference to the increase in social assistance funding in a time of fiscal restraint, the Finance Minister argued that "This budget requires sacrifice. But there are some in our midst who cannot be asked to sacrifice more; they have nothing left to give".<sup>26</sup> Thus, the finance minister claimed that the NDP's approach was "deficit reduction with a difference. It reduces expenditures at the same time as it shows compassion."<sup>27</sup> In its second term of government, the NDP undertook a major redesign of the province's social assistance system. The central idea behind the NDP's redesign of social assistance was the removal of disincentives to work for social assistance recipients and the provision of improved financial support for working poor families to ensure that they did not fall onto social assistance roles. The goal of this redesign was to have fewer people on social assistance and more people supporting themselves either fully or partially through employment. The NDP did this through income supplements, employment bonuses, health benefits and training allowances for low-income families so that the parents of these families would be better off working or studying than on social assistance.

Instead of using public investment and state intervention as a means of economic development, the Romanow government concentrated on the state as the creator of an attractive environment for external private investment. First, instead of grants to business, the government implemented a several "targeted business tax cuts" such as tax credits for the capital purchases of manufacturers, the film industry and research and development activities as well as the removal of the PST on direct agents used in manufacturing, aviation fuel, mining equipment and 1-800 telephone lines.<sup>28</sup> Moreover, the corporate income tax rate was lowered for manufacturers based upon the proportion of their jobs and business activity that was located in Saskatchewan.<sup>29</sup> Second, the government reduced the "regulatory burden" on business through streamlining licensing procedures, condensing the procedures to start a new business and placing a sunset clause which eliminated all business regulation after 10 years unless it had been reviewed and restored in advance by cabinet.<sup>30</sup> Third, the government moved to create a skilled workforce through the JobStart/Future Skills program which provided a subsidy for employers to train people for new jobs, subsidization of post-secondary graduates' wages for first two years within targeted companies in growth areas of the economy, quick response training to meet immediate industry needs and funding for human resource planning for specific sectors. Fourth, the NDP government sought to increase new trade opportunities through the establishment of the Saskatchewan Trade and Export Partnership which provided custom research on international markets and arranged international trade missions for Saskatchewan companies involved in exporting abroad.<sup>31</sup> Finally, the government introduced the Research and Technology Commercialization Strategy and Action Plan and increased funding to the Saskatchewan Research Council to promote the development of the province's hi-tech industries and to build strategic partnerships between universities and the province's businesses.<sup>32</sup>

In the area of agriculture, the Romanow government did not seek to create new marketing boards, reduce input costs or provide free or low cost capital to farmers. Rather, the Romanow government promoted crop diversification and increased trade with new Asian markets through the use of subsidies to attract private sector food processors to Saskatchewan to add value to raw agricultural products before they were exported.<sup>33</sup> Thus, instead of providing direct state aid to

individual farmers as previous CCF-NDP governments had done, the Romanow government attempted to attract large agri-businesses to the province. As such, it created the Agri-Food Equity Fund which invested in projects which processed Saskatchewan's crops for export to domestic or global markets.<sup>34</sup> While the Romanow government did not change restrictions on corporate ownership of farmland that had been established during the Blakeney era, the government did provide a grant to Cargill to construct a canola crushing plant and attracted a number of large meat-packing companies to the province.<sup>35</sup> Along with the federal government, the NDP government created the Agri-Food Innovation Fund to finance research by private companies and public institutions in the areas of speciality crops, livestock and non-food uses of agricultural products.<sup>36</sup> The NDP's desire to create value-added processing of agricultural products even led it to abandon Saskatchewan social democracy's long-standing commitment to marketing boards. The NDP eliminated Saskatchewan Pork International's (SPI) monopoly over the marketing of hogs in Saskatchewan in order to attract new packing plants and large hog barns that would otherwise be inclined to locate Alberta and Manitoba in order to operate in a non-marketing board environment.<sup>37</sup>

The Conservative government of the 1980s had privatized Saskatchewan's Crown Corporations involved in forestry and the extraction of oil, potash and uranium. The Romanow government did not re-nationalizing any part of the province's resource extraction industry. Indeed, the Romanow government completed the privatization of these resource Crown Corporations by selling off the government's remaining shares in these companies at a considerable profit which it used to pay down its debt. The Romanow government's central idea in terms of natural resources was that it would work with resource companies to lower royalties on natural resources which would increase production leading to both higher revenues for the government and job creation. The NDP's Minister of Energy and Mines argued that "lower royalties will encourage increased activity with more capital expenditures, more drilling and increased land sales. The government expects the revenue raised from this increased activity will more than offset the effect of lower royalty rates".<sup>38</sup>

The Romanow government saw Crown Corporations' principle objective as providing affordable services for Saskatchewan residents through public utility monopolies. At the beginning of its second term, the government undertook a major review of the province's Crown Corporations resulting in a report entitled *Saskatchewan's Crown Corporations: A New Era*.<sup>39</sup> *A New Era* concluded that the province's four major Crown utilities (electricity, car insurance, telephone and natural gas distribution) should remain publicly owned because they were financially viable, guaranteed head offices in the province, ensured reasonable utility rates, provided a return on public investment in the form of dividends and advanced social and economic policies such as stabilizing the provincial workforce. A separate report found that the government-owned bus company was not financially viable but the NDP decided to continue its operation through the use of annual subsidies because of its provision of routes to rural areas that would not be served by a private company. However, *New Era* recommended that, while remaining publicly owned, Crown Corporations should be structured more like private sector businesses in order to be responsive to shifting market conditions and succeed in an era of increased competition and deregulation. Following the suggestions of the report, the government allowed the human resources policies of the Crown utilities to deviate from those of the public sector and removed ministers from the boards of Crown utilities to reduce the perception of political interference and increase the corporation's ability to react quickly to market forces. The largest change made to Crown Corporations in the Romanow era was that Crown Corporations began to provide goods and

services outside of the province and outside of Canada. This new policy led to such projects as Sasktel's involvement in providing telecommunications for the 'Chunnel' between Great Britain and France as well as providing internet service in Chicago and Columbus. The NDP felt that, through such projects, the province's public enterprise could take advantage of the opportunities provided by the opening of markets in an era of globalization.<sup>40</sup>

As opposed to imposing labour code reforms on business, the Romanow government believed that workers and employers must come to a consensus on changes to labour legislation in order to keep the province's investment climate competitive. In 1991 to 1993, the government struck two ministerial committees in an unsuccessful effort to build a consensus between the unions and employers concerning necessary revisions to the province's labour legislation.<sup>41</sup> In 1994, the NDP government gained union support for its labour legislation when it introduced amendments to labour legislation that would prohibit replacement workers during strikes and pro-rate full-time medical and leave benefits for part-time workers.<sup>42</sup> However, the government infuriated unions when it eliminated these amendments before the bills were passed due to pressure from the business community.<sup>43</sup> The government attempted to overcome the impasse over part-time benefits by appointing a joint commission with equal representation from business and unions to find a solution.<sup>44</sup> Perhaps unsurprisingly, the commission was unable to reach an agreement and told the government that it would have to make a decision. Ultimately, the NDP passed a law requiring companies with at least ten employees to pay pro-rated full time benefits to their part-time employees with more than six months of experience who worked at least 15 hours a week.<sup>45</sup> The government also improved provisions around notice for schedule changes for part-time workers, ensured greater protection against dismissal due to injury or illness and guaranteed a minimum eight-hour rest period in 24 hours and 30-minute unpaid meal breaks.<sup>46</sup>

### **Continuities between Traditional and Third Way Saskatchewan Social Democracy**

Interestingly, the dichotomy between the Third Way and traditional social democracy did not work in all areas. Rather, there were a number of continuities between traditional and Third Way social democracy that I will briefly highlight. First, all three governments were fiscally responsible. The Douglas, Lloyd and Blakeney governments ran a deficit only once during the 31 fiscal years that they were in power from 1944 to 1982. Upon its election to office, the Romanow government made deficit elimination its first priority and it eliminated its deficit within four fiscal years. Second, the five core public utilities created by the Douglas government in 1945 (auto insurance, electricity, natural gas, telephones and buses) were maintained, as was universal, public and free Medicare. Third, all of CCF-NDP governments provided financial assistance and technical support to encourage the growth of the province's small businesses. Fourth, CCF-NDP governments held that economic development should not be sacrificed for environmental concerns as their support for uranium mining attests. Fifth, while the Douglas government did not legislate workers back to work, the Blakeney and Romanow governments legislated workers back to work five times and all CCF-NDP governments avoided worker participation in management initiatives. Late in its last term, the Blakeney government attempted to create a worker-employer co-management board within the government-owned Potash Corporation of Saskatchewan but the program ran into considerable resistance from the management of the Crown Corporation and was unsuccessful.<sup>47</sup> Finally, the decision-making processes in all three governments were dominated by the cabinet and the bureaucracy with little role for the CCF-NDP party, citizens or even the government caucus.



## **Explaining the Transformation from Traditional to Third Way Social Democracy in Saskatchewan**

In spite of certain continuities, it is clear that there was a shift in the policies between the Romanow government and previous CCF-NDP governments concerning public enterprise, social programs, state intervention in the economy and labour code reform. There were four factors—increased trade combined with restrictions on public ownership by free trade agreements, the privatizations and massive debt and deficit of the Devine Conservative government, federal cuts to federal transfer payments and the dominance of the right-wing of the party—that were responsible for the emergence of the Third Way in Saskatchewan. Indeed, these factors intermeshed with each other to push the NDP towards the Third Way.

There has been a tendency in European literature on social democracy to concentrate almost exclusively on globalization as the explanation for the emergence of the Third Way. For instance, Christopher Pierson contends that “In essence, globalization increases the porosity of international borders, heightens the mobility of capital, disorganizes the internal homogeneity of the labour interest and correspondingly disempowers the social democratic form of the interventionist state”.<sup>48</sup> Indeed, the globalization was an important factor in the emergence of the Third Way within Saskatchewan. Foremost, the advent of globalization led to increased exports and imports within the Saskatchewan economy and also engendered free trade agreements, primarily Chapter 11 of NAFTA, which restricted the expansion of public ownership. When the re-nationalization of resource extraction was no longer an option, the Saskatchewan NDP government had little choice but to perpetuate the growth of provincial economy based on the export of oil, potash, uranium and finished agricultural products by the private sector. Once committed to export-led growth through the private sector, the mobility of investment resulting from the fall of trade barriers necessitated that the Romanow government pay close attention to providing competitive advantages in order to attract investment to the province. Further, free trade undermined public enterprise within the province as the inter-provincial and international trade agreements led to the deregulation of the operating environment of Crown Corporations.<sup>49</sup> For instance, trade agreements forced an end to Sasktel’s monopoly over long-distance service in Saskatchewan as it began to face competition from Sprint and AT&T which prompted the Romanow government to restructure Sasktel along the lines of a privately-owned business.

In eschewing public enterprise and rationalizing social programs, the Saskatchewan NDP joined the large number of social democratic parties around the world that had shifted from traditional to third way social democracy in response to the forces of globalization. Both Roy Romanow and cabinet ministers from the Romanow government have admitted to being influenced by Tony Blair’s transformation of the British Labour Party towards third way social democracy.<sup>50</sup> However, it should be noted that Blair did not become leader of the Labour Party until July 1994 and number of third way social democratic policies in Saskatchewan had already been put in place by that time. It seems much more plausible that the Romanow government was influenced by the experiments with third way social democracy in Australia and New Zealand in the late 1980s and the third way social democratic policies being adopted by NDP governments in Ontario and British Columbia who has also come to power in the early 1990s.

An equally important explanation for the Saskatchewan NDP’s shift to the Third Way was the actions of the previous Saskatchewan Conservative government during the 1980s. The massive debt and deficit from the Tory years severely limited the Romanow government’s ability to implement traditional social democratic policies of using public investment to stimulate economic

growth or expand the province's welfare state. The need to pay down the deficit to avoid financial crisis made it necessary to rationalize social programs, create more targeted social programs and use more cost-effective means of economic development such as tax incentives, skills training and lightening regulations. The existence of a massive debt and deficit also prevented the Romanow government from pursuing the costly re-nationalization of the oil, potash and uranium Crown Corporations that the Devine government had privatized. It should be noted that the both the Blakeney and Douglas governments had been left with small surpluses by the previous governments and the province's debt to GDP ratio was considerably lower when they took office compared to Romanow.<sup>51</sup> Further, the Thatcher Liberal government of the 1960s did not privatize any of the Crown Corporations that the CCF had created.

On an institutional level, the Canada's federal system allowed Ottawa to make unilateral decisions to cut transfer payments to provincial social programs in an effort to eliminate the federal deficit. Such federal cuts to transfer payment made it very difficult for the Romanow government to expand the province's social programs. Indeed, both the Blakeney and Douglas/Lloyd governments enjoyed rising transfer payments throughout their time in office. The federal system also allowed the federal government to unilaterally negotiate and ratify international free trade agreements that adversely affected Saskatchewan's ability to create new public enterprise and operate existing Crown Corporations. Thus, the institutions of Canadian federalism, within the context of globalization and the high public deficits of the 1990s, stimulated the growth of third way social democracy in Saskatchewan.

One must take agency into account when discussing the transformation of the Saskatchewan NDP from traditional to third way social democracy. Ultimately, it was the agency of the right wing of the Saskatchewan NDP party who formulated ideas to fit the economic, political and social circumstances of Saskatchewan in the 1990s. The right wing of the party had been gathering strength since the exit of the Waffle in 1973 and the centre faction of the party, associated with Blakeney, was willing to play a secondary role leading up to the 1991 election win. Therefore, the right wing of the Saskatchewan was uncontested in its take over of the party in 1987 when Romanow was acclaimed as party leader and formulated party policies reflective of its ideology. The right wing of party was willing to accept the restrictions that globalization and free trade agreements placed on the Saskatchewan government and focused on eliminating the deficit even if it meant cuts to social programs. The overwhelming dominance of the Right was further augmented by the Saskatchewan CCF-NDP's tradition of cabinet dominated government and their reluctance to alter the Westminster parliamentary system. MLAs representing the Centre faction of the party were either excluded from cabinet or given portfolios such as social services or education where they had to little control over economic policies or the revenue generating capacity of the government. With the exit of the lone representative of the party's Left from the caucus over labour policy in 1994, the Left within the NDP in the 1990s was relegated to periodic control over the youth wing, passing resolutions at annual conventions that everyone in the party knew would not be followed, writing articles in the party's monthly magazine and asking critical questions to the Premier at party gatherings.

The continuities between the third way social democracy of the Romanow government and the traditional social democracy of the Blakeney, Douglas and Lloyd governments can be attributed to the social democratic political culture of Saskatchewan.<sup>52</sup> This social democratic political culture, shaped by a social democratic intellectual tradition stretching back to the early part of the 20<sup>th</sup> century, was the primary factor in the Romanow government's decisions to increase social assistance spending in spite of its deficit, use tax increases to pay down its deficit, not sell off

government owned utilities and keep Medicare publicly owned and operated. Neither the NDP party nor the general public would have accepted the Romanow government turning its back on these touchstones of Saskatchewan existence. Ironically, Saskatchewan social democratic political culture, with its tradition of fiscal responsibility, also re-enforced the Romanow government determination to eliminate the deficit which was considered a tenant of neo-liberalism in the 1990s.

### **Other Explanations Concerning the Emergence of the Third Way in Saskatchewan**

While most authors recognize that the factors outlined above were pivotal in the emergence of the Third Way in Saskatchewan, several other explanations have been advanced to explain transformation of the Saskatchewan NDP in the 1990s. One of the principle weaknesses of these explanations is that they attempt to explain the shift from traditional to Third Way social democracy using factors that were present during both the time period of the Douglas and Blakeney governments as well as the Romanow government. First, some have argued that, by the 1990s, the NDP was dominated by middle class urban professionals instead of the alliance of progressive farmers and the labour movement which had been crucial to the success of the CCF and the Blakeney government.<sup>53</sup> In a modified version of this argument, Warnock contends that the leadership of NDP in the 1990s was not made up of the oppressed or those linked with protest movements.<sup>54</sup> However, Glen Thompson have convincingly argued that the leadership of the CCF-NDP has dominated by urban professionals from the middle class since the Douglas government. Through the statistical analysis of the occupation of cabinet ministers, he illustrates that farmers and unionists were routinely marginalized within CCF-NDP governments from 1944 to 1982 in favour members of the urban middle class such as teachers, lawyers and managers.<sup>55</sup>

Ultimately, we cannot assign the right wing's dominance of the NDP in the 1990s to a change in the class make-up of the party leadership. Rather, we should realize that the right-wing within the NDP rose to dominance because of their aggressive organizing within the party since Romanow lost the leadership in 1970. In the late 1980s, the right-wing coalesced around the uncontested leadership bid of Romanow and then proceeded to re-formulate party policy around Third Way themes in a series of policy commissions which were unanimously adopted without debate by the party's annual convention in 1989.<sup>56</sup> The active organizing of the right-wing of the NDP from 1970 to 1987 can be contrasted with the exit of the Waffle from the party in 1973 and the failure of the centre of the party to put forth a candidate to challenge Romanow's leadership bid or attempt to alter the policy commissions at the 1989 convention. Further, the right-wing's rise to dominance was aided by the fact that their ideas fit well with the constrains that globalization, rising debt and deficits and cuts to federal transfer payments placed upon social democracy in Saskatchewan in the early 1990s. In the lead-up to Romanow's selection as leader and the 1991 provincial election, it was clear to most in the party that the ideas of right-wing were the most workable and electorally viable considering the context in which the province found itself. The re-thinking of social democracy done by the right-wing of the NDP in the second half of the 1990s invalidates arguments made by Phillip Hansen and Ken Rasmussen that the turn of the NDP in Saskatchewan towards the Third Way was the product of a "failure political imagination" or "lack of intellectual vigour".<sup>57</sup> Indeed, the fact that the right-wing of the Saskatchewan NDP formulated Third Way ideas before they had become popular in Europe or well developed in Canada or Australia and New Zealand suggests a vibrant political imagination and intellectual vigour on the part of the right wing of the party.

The same authors go on to argue that, because of larger farms and more capital intensive agriculture, the progressive farmers that elected the Douglas and Blakeney governments disappeared in the 1990s and had been replaced by more business-minded farmers who supported the Conservatives.<sup>58</sup> These authors are right to assert that, due to changes in the structure of Saskatchewan's agricultural economy, the agrarian socialism that Lipset discovered in 1950 was dead by 1991.<sup>59</sup> However, agrarian socialism was dead before the advent of the Third Way. The CCF's stranglehold on farm support began to slip as early as the 1956 election and by the Blakeney years farmers were already becoming increasingly conservative and defining themselves as small businessmen. Moreover, there is little difference in rural support for the NDP between the Blakeney and Romanow years. In fact, Blakeney and Romanow held nearly exactly the same percentage of the rural seats during their time in power.<sup>60</sup> Thus, it was not any dramatic loss of 'progressive' rural support that caused the NDP to turn towards the Third Way in the 1990s. Instead, the current rural/urban divide in Saskatchewan politics is a phenomenon that emerged in the 1999 provincial election long after the Third Way had been firmly established within the Saskatchewan NDP.

Other authors have emphasized that the NDP turned towards the Third Way in the 1990s because it had transformed from a 'mass party' into a 'cadre party'. These authors argue that the NDP in the 1990s took on such cadre party characteristics as a smaller membership, acceptance of corporate donations, pragmatic platforms designed to win elections and tight control over party organizations by a small group of professional politicians and party bureaucrats.<sup>61</sup> However, the CCF-NDP membership dropped in the Douglas and Blakeney eras when their governments became entrenched in power and the NDP had started canvassing the province's businesses for donations in the mid-1970s.<sup>62</sup> Since the dropping of the controversial use-lease land policy from the CCF platform before the 1938 election, the CCF-NDP has routinely moderated its ideas into pragmatic platforms in order to win elections and the party had been run by a central and professionalized organization since at least the 1940s.<sup>63</sup> Further, these authors stress that the Romanow government was dominated by cabinet and that the participation of grassroots party activists within policy making was not encouraged.<sup>64</sup> However, as noted above, cabinet-dominated government was a characteristic of all CCF-NDP administrations in Saskatchewan since 1944.

Warnock argues that there is an element of "capital appeasement" in the movement of the NDP towards the Third Way.<sup>65</sup> However, CCF-NDP governments in Saskatchewan had always appeased capital in various ways. For instance, the Douglas government did not pursue public ownership of natural resources in deference to established multinational companies within the province and the Blakeney government did not pursue public enterprise in the manufacturing of drugs because it did not want to face the opposition of large drug companies. While one could argue that the Romanow government appeased capital more than previous CCF-NDP governments, it is clear that such appeasement would only differ in degree. In any case, capital appeasement should be considered a characteristic, not a cause, of the Third Way. Warnock also argues that the Saskatchewan labour movement's continued support of the NDP as the "lesser of two evils" sapped the energy of left-wing opposition to the NDP in the 1990s leading to the entrenchment of the Third Way in the province.<sup>66</sup> Be this as it may, the labour movement was in the same position vis-à-vis the Blakeney government in the 1970s in relation to that government's back to work legislation and support of wage and price controls. Further, it is hard to see how the removal of labour support from the NDP would have somehow stopped the adoption of the Third Way by the Romanow government. In fact, the disaffiliation of unions from the party may have had the opposite effect since unions acted as a bulwark within the NDP in the 1990s that prevented it from moving even further to the right than it did.

Other researchers have argued that the rise in identity politics, partly in response to the advent of the Charter, and growing importance of post-material issues in Saskatchewan politics have mediated against traditional social democracy with its focus on economic matters and social programs.<sup>67</sup> Indeed, the rise of post-materialism did force the Romanow government to be more sensitive than its predecessors to the concerns of women, First Nations and environmental groups during the 1990s. However, concern for post-materialism does necessarily undermine traditional social democracy. There is no reason why sensitivity to post-materialist issues negated the possibility of the Romanow government following traditional social democratic policies such as expansion of universal social programs, state intervention in the economy or the imposition of labour code reforms on business.

Finally, starting in the 1980s with the election of the Devine Conservatives, it is plausible the Saskatchewan public was less willing to accept government activism during the 1990s than during the era of the Blakeney, Douglas and Lloyd governments. Indeed, voters in Saskatchewan could have become more conservative in the 1990s due to the rises in standards of living, the emergence of a more consumer-driven society and an aggressive right-wing media.<sup>68</sup> However, there is no reliable polling that compares public opinion in Saskatchewan in the 1990s with public opinion in the 1970s let alone the CCF era from the late 1940s to the early 1960s. Therefore, such a claim is extremely difficult to validate. Further, the coming to power and dominance of the CCF in Saskatchewan took place in the post-war period when the province's standard of living was rising, consumerism was strong as many new products entered the marketplace and the media continually attacked the Douglas government as communist.

## **Conclusion**

The shift of the Saskatchewan NDP from traditional to Third Way social democracy took place due to the interrelated domestic and international factors of increased trade and restrictions on public ownership by free trade agreements, the privatizations and massive debt and deficit of the Devine Conservative government and cuts to federal transfer payments. The agency of the right-wing of the NDP party formulated policies which fit within the context of these constraints on traditional social democracy. However, this conclusion leaves certain questions unanswered: If there had been a more left-wing leadership controlling the Saskatchewan NDP during the 1990s would have there been a different outcome? Did the Romanow government have no choice but to follow Third Way social democracy?

The hypothetical nature of these questions makes them exceedingly difficult to answer. Undoubtedly, governments always have choices. A left-wing leadership of the NDP during the early 1990s could have paid for the introduction of new universal social programs and the re-nationalization natural resource industries through allowing the deficit to continue to grow and raising resource royalties, corporate taxes and the income taxes of high income earners. However, it is impossible to ascertain what the results of such policies would have been. Roy Romanow would argue that, considering the context of the early 1990s, the consequences of such policies would have been the stunting of economic growth due to external investment and trade flowing elsewhere, the legal impossibility of nationalization under free trade agreements and the default on the government's debt as Saskatchewan bonds fell to junk bond status. Under this scenario, the NDP could have been a one term government and the Conservatives or Liberals could have got back as early as 1996. On the other hand, these left-wing policies or some different combination of

traditional and Third Way social democratic policies could have been successful in which case the lives of people in Saskatchewan would have been drastically improved.

In some ways, the two questions above are the wrong ones to be asking. It is more important to attempt to understand what the Third Way is and why it emerged in Saskatchewan than to speculate on how the course of history could have been different. A clear understanding of what the Third Way entails and a lucid and parsimonious explanation of why it emerged is far more useful for future political action for those engaged within Canadian social democracy. It is only when we understand the history of the provincial NDP governments in the 1990s and constrains currently placed upon social democratic governments on the provincial level can we begin to theorize upon if we need a better Third Way or some sort of different type of social democracy altogether.

- <sup>1</sup> Duane Mombourquette, “‘An Inalienable Right’ The CCF and Rapid Health Care Reform, 1944-1948,” in *Saskatchewan History* 43, no. 3 (Fall 1991), 108.
- <sup>2</sup> For a full description of the Dental Plan see Steve Wolfson, “Use of Paraprofessionals: The Saskatchewan Dental Plan” in *Policy Innovation in the Saskatchewan Public Sector, 1971-1982*, Eleanor Glor (ed.), (North York: Captus Press, 1997), 121-139.
- <sup>3</sup> For a full description of the Drug Plan see John Bury, “Reducing Drug Prices: The Saskatchewan Prescription Drug Plan” in *Policy Innovation in the Saskatchewan Public Sector, 1971-1982*, Eleanor Glor (ed.), (North York: Captus Press, 1997), 204-228 & Jim Harding, “The Welfare State as a Therapeutic State: The Saskatchewan Prescription Drug Plan, 1974-1982” in *Social Policy and Social Justice: The NDP Government in the Saskatchewan During the Blakeney Years*, Jim Harding (ed.), (Waterloo: Wilfrid Laurier University Press, 1995), 85-120.
- <sup>4</sup> See Toby Stewart and Larry Flynn, “The Employment Support Program: Innovative Community Economic and Social Development” in *Policy Innovation in the Saskatchewan Public Sector, 1971-1982*, Eleanor Glor (ed.), (North York: Captus Press, 1997), 189-203.
- <sup>5</sup> Saskatchewan Department of Social Services, Annual Report 1974-75, (Regina: Queen’s Printer, 1975), 25.
- <sup>6</sup> Government of Saskatchewan, *1974 Budget Speech*, 31.
- <sup>7</sup> The CCF provided government subsidized housing only to special groups such as veterans and Aboriginals.
- <sup>8</sup> Government of Saskatchewan, *1973 Budget*, 22 & Government of Saskatchewan, *1975 Budget*, 22.
- <sup>9</sup> Government of Saskatchewan, *1982 Budget Speech*, 25-28.
- <sup>10</sup> Government of Saskatchewan, “Speech from the Throne”, November 26<sup>th</sup>, 1981, 3.
- <sup>11</sup> A.W. Johnson, *Dream No Little Dreams: A Biography of the Douglas Government of Saskatchewan, 1944-1961* (Toronto: Institute of Public Administration of Canada and the University of Toronto Press, 2004), 327-328.
- <sup>12</sup> T.C. Douglas, *Canadians Find Security with Freedom* (New York: League for Industrial Democracy, 1949), 12.
- <sup>13</sup> Johnson, 206.
- <sup>14</sup> *Ibid.*
- <sup>15</sup> Douglas, 14-16.
- <sup>16</sup> Changes to the Trade Union Act to make collective bargaining, organizing new unions and striking easier included eliminating the clause which required a vote to held on the employers last offer 30 days into the strike, allowing workers to refuse to handle goods from a striking plant, requiring a mandatory certification vote with a 25% instead of 60% show of interest, a more concise definition of an employee to limit management’s ability to exclude workers from bargaining units and the reduction of a maximum length of a collective agreement from 2 to 3 years. See Synder, “A Comprehensive Labour Reform” in *Is Innovation a Question of Will or Circumstance? An Exploration of the Innovation Process through the Lens of the Blakeney Government in Saskatchewan*, Eleanor Glor (ed.), (Ottawa: The Innovation Journal Books, 2000), <<http://www.innovation.cc/books/is-innovation-a-question-of-will-or-circumstance.pdf>>, (14 June, 2005), 114-116.
- <sup>17</sup> Thomas McLeod & Ian McLeod, *Tommy Douglas: The Road to Jerusalem* (Edmonton: Hurtig, 1987), 171.
- <sup>18</sup> John Richards and Larry Pratt, *Prairie Capitalism: Power and Influence in the New West* (Toronto: McClelland and Stewart, 1979), 288.
- <sup>19</sup> Government of Saskatchewan, “Speech from the Throne”, November 12, 1975, 8.
- <sup>20</sup> Richards and Pratt, 271-272.
- <sup>21</sup> These trends may seen in Appendix C. My analysis is also confirm in David Cushman and Robert Lucas, “Western Deficits: Common Causes” in *Deficit Reduction in the Far West: The Great Experiment*, Paul Boothe and Bradford Reid (eds.), (Edmonton: University of Alberta Press, 2001), 49-88 & Bradford Reid, “Provincial Fiscal Postitions” in *Deficit Reduction in the Far West: The Great Experiment*, Paul Boothe and Bradford Reid (eds.), (Edmonton: University of Alberta Press, 2001), 89-110.
- <sup>22</sup> Government of Saskatchewan, *Public Accounts 1991-1992, 1992-1993, 1993-1994, 1994-1995*, (Regina: Queen’s Printer).
- <sup>23</sup> For a full description of Saskatchewan’s hospital closures in the 1990s see Amanda James “Closing Rural Hospitals in Saskatchewan : On the Road to Wellness” in *Social Science & Medicine* 49 (1999), 1021-1034.
- <sup>24</sup> Government of Saskatchewan, *1993 Budget Speech*, 13 & 17.
- <sup>25</sup> An inventory of the large number of initiatives began under the Saskatchewan Action Plan for Children can be found in Government of Saskatchewan, *Our Children, Our Future: Saskatchewan’s Action Plan for Children- Four Years Later* (Regina: Queen’s Printer, 1997) & Government of Saskatchewan, *Saskatchewan’s Action Plan for Children: 1998/99 New Initiatives* (Regina: Queen’s Printer, 1998).
- <sup>26</sup> Government of Saskatchewan, *1993 Budget Speech*, 17.
- <sup>27</sup> *Ibid.*, 18.
- <sup>28</sup> Government of Saskatchewan, *1993 Budget Speech*, 6, Government of Saskatchewan, *1995 Budget Speech*, 5 & 8, Government of Saskatchewan, “Speech from the Throne”, February 25<sup>th</sup>, 1993, 1 & Government of Saskatchewan, *1998 Budget Speech*, 5.

<sup>29</sup> Government of Saskatchewan, *1995 Budget Speech*, 9.

<sup>30</sup> Government of Saskatchewan, "Speech from the Throne" in *Saskatchewan Legislative Debates and Proceedings, First Session- Twenty Third Legislature*, February 29<sup>th</sup>, 1996, 2, Government of Saskatchewan, *1996 Budget Speech*, 6 & Government of Saskatchewan, *1998 Budget Speech*, 6.

<sup>31</sup> Government of Saskatchewan, "Speech from the Throne", February 29<sup>th</sup>, 1996, 3.

<sup>32</sup> Saskatchewan Economic Development, *Research and Technology Commercialization Strategy and Action Plan* (Regina: Saskatchewan Economic Development, June 1994).

<sup>33</sup> See Saskatchewan Agriculture and Food, *Agriculture 2000*, (Regina: A Saskatchewan Agriculture and Food, 1993), 5-15.

<sup>34</sup> As of May 1999, the Agri-Food Equity Fund had made 24 investments totaling \$13 million in 19 companies. Of the companies invested in by the Fund, 14 were located in rural Saskatchewan. Saskatchewan Agriculture and Food News Release, "Agri-Food Equity Fund Invests in Big Quill Resources Incorporated", May 12<sup>th</sup>, 1999.

<sup>35</sup> Saskatchewan Executive Council News Release, "Cargill to Build \$53.6 Million Dollar Canola Crushing Plant Near Saskatoon", March 6<sup>th</sup>, 1995.

<sup>36</sup> Government of Saskatchewan, *1995 Budget Speech*, 9.

<sup>37</sup> Eric Upshall, "Hog producers given marketing option" in *The Commonwealth*, November 1997, 30-31. In particular, the Saskatchewan government had been interested in attracting a \$112 million Maple Leaf Foods pork packing plant that eventually went to Brandon. While it failed to attract the Maple Leaf food plant, the government did secure a \$45 million expansion of Saskatoon's Mitchell Gourmet Foods operation and the building of many large hog barns such as the Big Sky operation near Rama.

<sup>38</sup> Elton Lautermilch, "Ensuring the Future of Resource Development in Saskatchewan" in *The Commonwealth* (March 1998), 7.

<sup>39</sup> Government of Saskatchewan, *Saskatchewan's Crown Corporations: A New Era* (Regina: Queen's Printer, 1997).

<sup>40</sup> Government of Saskatchewan, *1996 Budget Speech*, 5.

<sup>41</sup> David Smith, "Saskatchewan" in *1994 Canadian Annual Review of Politics and Public Affairs* (Toronto: University of Toronto, 1995), 207.

<sup>42</sup> Saskatchewan Federation of Labour New Release, "Labours Likes Labour Standards Bill", March 11<sup>th</sup>, 1994 &

Saskatchewan Federation of Labour New Release, "Trade Union Bill 'good as far as it goes' – SFL", April 11<sup>th</sup>, 1994.

<sup>43</sup> Saskatchewan Federation of Labour, "Labour Reform Hits Hurdles" in *Labour Reporter* 9, no. 5 (May 1994).

<sup>44</sup> Smith, "Saskatchewan" in *1994 Canadian Annual Review of Politics and Public Affairs*, 207.

<sup>45</sup> Joseph Garcea, "Saskatchewan" in *1995 Canadian Annual Review of Politics and Public Affairs* (Toronto: University of Toronto, 1996), 193.

<sup>46</sup> Saskatchewan Labour News Release, "Labour Minister Announces Advances for Part-Time Workers", February 3<sup>rd</sup>, 1995.

<sup>47</sup> See Robert Sass, "The Work Environment Board and the Limits of Social Democracy in Canada" in *International Journal of Health Services* 23, no. 2 (1993), 279-300.

<sup>48</sup> Christopher Pierson, *Hard Choices: Social Democracy in the 21st Century*, Cambridge: Polity Press, 2001, 63.

<sup>49</sup> Government documents from the time period illustrate an awareness of this phenomenon. One document notes that "Interprovincial trade agreements, as well as the North American Free Trade Agreement, mean that the Government of Saskatchewan has less ability to intervene in the Saskatchewan marketplace when it comes to regulating the sale/distribution of basic utilities". Crown Investments Corporation of Saskatchewan, *Talking About Saskatchewan Crowns: Final Report* (Regina: Crown Investments Corporation of Saskatchewan, 1996) 36.

<sup>50</sup> Janice MacKinnon, *Minding the Public Purse: The Fiscal Crisis, Political Trade-Offs, and Canada's Future* (Montreal: McGill-Queen's University Press, 2003), 268

<sup>51</sup> The Blakeney and Douglas governments had a debt-to-GDP ratios of just over 20% whereas Romanow's debt-to-GDP ratio in 1991 was nearly 60%.

<sup>52</sup> Nelson Wiseman makes a somewhat similar argument. See Nelson Wiseman, "Social Democracy in a Neo-Conservative Age: The Politics of Manitoba and Saskatchewan", in H. Telford and H. Lazar, eds., *Canada: The State of the Federation, 2001. 2002.*

<sup>53</sup> Jocelyne Praud and Sarah McQuarrie, "The Saskatchewan CCF-NDP" in *Saskatchewan Politics into the Twenty First Century*, Howard Leeson (ed.), (Regina: Canadian Plains Research Centre, 2001), 162 & Howard Leeson, "The Rich Soil of Saskatchewan Politics" in *Saskatchewan Politics into the Twenty First Century*, Howard Leeson (ed.), (Regina: Canadian Plains Research Centre, 2001), 9 & Ken Rasmussen, "Saskatchewan: From Entrepreneurial State to Embedded State" in *The Provincial State in Canada: Politics in the Provinces and Territories*, Keith Brownsey and Michael Howlett (eds.), (Peterborough: Broadview Press, 2001), 255.

<sup>54</sup> John Warnock, "The CCF-NDP in Saskatchewan: From Populist Social Democracy to Neoliberalism" in *Challenges and Perils: Social Democracy in Neoliberal Times*, William Carroll and R.S. Ratner (eds.), Black Point: Fernwood Books, 2005), 97.



- <sup>55</sup> Laurence Glen Thompson, *The CCF/NDP in Saskatchewan: A Case Study of Social Democracy*, (Unpublished Masters' Thesis, University of Regina, 1986), 84-88.
- <sup>56</sup> See Saskatchewan NDP, "Economic Development, Trade and the Environment" in *Policy Commission Reports*, 53<sup>rd</sup> Annual Saskatchewan NDP Convention, November 17<sup>th</sup>-19<sup>th</sup>, 1989, Saskatchewan Legislative Library, CA6NDP1189P51. Saskatchewan NDP, "The Rural Community 'Here Today and Tomorrow'" in *Policy Commission Reports*, 53<sup>rd</sup> Annual Saskatchewan NDP Convention, November 17<sup>th</sup>-19<sup>th</sup>, 1989, Saskatchewan Legislative Library, CA6NDP1189P51. See Saskatchewan NDP, "Health Services: 'Fulfilling the Needs of Tomorrow'" in *Policy Commission Reports*, 53<sup>rd</sup> Annual Saskatchewan NDP Convention, November 17<sup>th</sup>-19<sup>th</sup>, 1989, Saskatchewan Legislative Library, CA6NDP1189P51.
- <sup>57</sup> Phillip Hansen, "Saskatchewan : The Failure of Political Imagination" in *Studies in Political Economy* 43, (Spring 1994), 161-167 & Rasmussen, 261.
- <sup>58</sup> Rasmussen, 253 & Praud and McQuarrie, 162.
- <sup>59</sup> See Seymour Lipset, *Agrarian Socialism: The Coopertative Commonwealth Federation in Saskatchewan, A Study in Sociology* (Berkeley: University of California Press, 1950).
- <sup>60</sup> In the 1971, 1975 and 1978 elections the NDP took an average of 59% of the province's rural seats while the NDP took an average of 60% of the province's rural seats in the 1991 and 1995 elections.
- <sup>61</sup> Praud and McQuarrie, 164 & Warnock, 94.
- <sup>62</sup> Thompson, 131-132.
- <sup>63</sup> See John Conway, "From Agrarian Socialism to 'Natural' Governing Party: The CCF/NDP in Saskatchewan, 1932-2002", paper presented to the 2003 Canadian Political Science Association Annual Conference, presented on May 31<sup>st</sup>, 2003.
- <sup>64</sup> Praud and McQuarrie, 164 & Warnock, 94.
- <sup>65</sup> Warnock, 96.
- <sup>66</sup> *Ibid.*, 95. See as well Lorne Brown, Joseph Roberts and John Warnock, *Saskatchewan Politics from Left to Right '44 - '99* (Regina: Hinterland Publications, 1999), 80-81.
- <sup>67</sup> Praud and McQuarrie, 162 & Rasmussen, 242, 257 & 271.
- <sup>68</sup> Warnock, 96.