

INSTITUTE OF CURRENT WORLD AFFAIRS

DAWJ #9

The Western Provinces in
the Middle North III

Alberta

Scott Polar Research Institute,
Cambridge University,
Cambridge,
England.

April 18, 1968.

Richard H. Nolte, Esq.,
Executive Director,
Institute of Current World Affairs,
366 Madison Avenue,
New York 17, N.Y.

Dear Dick:

To start with here is a quotation:

"Having regard to the vast potential and growing importance of the northern areas of the province, legislation will be submitted for the establishment of a Northern Alberta Development Council, whose function will be to plan, promote, co-ordinate and advise on practical measures to foster and advance northern development."

Anyone with government experience in the Commonwealth will be able to tag this prose as an excerpt from a Throne Speech. I have no idea where or when the style developed. The contemporary prototype is probably stodgy Victorian. I like to think that it came from Gladstone's era rather than Disraeli's. But, whatever its origins, this prototype is now so much of a stereotype that a civil servant from Kuala Lumpur or Canberra would be quite at home writing a Throne Speech in Ottawa, Colombo or Lagos. A common bureaucracy - the tie that binds us ?

This example is from Alberta, one of the four western provinces of Canada. The Bill establishing the Northern Alberta Development Council became an Act of the Provincial Legislature in March of 1963. Since then, the Council has been unique. Alberta is the only province which has a special branch of the Executive to make plans for the development of its middle north. The definition of the region in Alberta is that part of the province north of the 55th parallel, "or slightly more than half the area of the entire province."

It would be interesting to know how the Council has fared in the past five years. New government agencies of this kind which cut across the interests of existing departments are always in for rough sledding. The Council's original terms of reference said that it was to "investigate, plan, promote and co-ordinate practical measures to... advance development in northern Alberta..." This is a definition which allows pretty broad scope both for administrative innovation and for

bureaucratic competition. In 1963 the intention seemed to be to confine the Council to an advisory role. By 1966 however, the Council had a budget of \$5 million to spend on transportation, social facilities and research in the province's north. To an outsider it seemed that the Council could be on its way to becoming a department of the north. When I was in Edmonton, the provincial capital, in December of last year it was clear that serious questions were being asked about the Council's future. Would it continue in an expanding role, would it revert to a purely research and advisory body for the provincial cabinet or would it fold up? As far as I know now in Cambridge, there have been no final answers.

There are two points about this Alberta experiment that interest me.

- (a) Governments tend to react to a new problem with a new department. This is an official reflex which is always particularly tempting in the north. Old-time departments already have "southern" problems and commitments and it is always a wrench to get them and their ministers to spend a part of their time thinking about the north, or any new region for that matter. The quickest way of redirecting attention is to create a new agency with a northern focus. This can work for a time but success in the long run depends on the extent to which the other departments include the north in their day-to-day work and plans. A northern department should be a passing phase.
- (b) The Council has drawn new attention to the social problems of the north. Whether or not it set out to do this I do not know. It is however, almost always the sure fate of the northern agencies of governments in Canada in this age. The north can quickly resolve itself into a morass of social problems; health, education, hygiene, illiteracy and so forth. These revelations are seldom welcomed. No government in Canada has yet been able to find social solutions or to concentrate its energies on the long-term issues of economic and resource development in the north. The result is that government activity in the north is often confined to a series of disconnected programmes which try to patch up the shredding social fabric.

Whatever the fate of the Northern Alberta Development Council, the interest of the provincial government in the north will likely continue. Transportation facilities for the north will be a large item in the provincial budget. The most interesting venture now is the Alberta Resources Railway, a government financed project which may cost \$100 million. The line is to run 110 miles north west from the transcontinental

NORTHWEST TERRITORIES

60°

120 miles by rail
to Pine Point

Mackenzie Highway
Great Slave Lake Railway

Mc Murray

Peace River

BRITISH COLUMBIA

55° SASKATCHEWAN

Alberta Resources Railway
(under construction)

Northern Alberta Railway

Edmonton

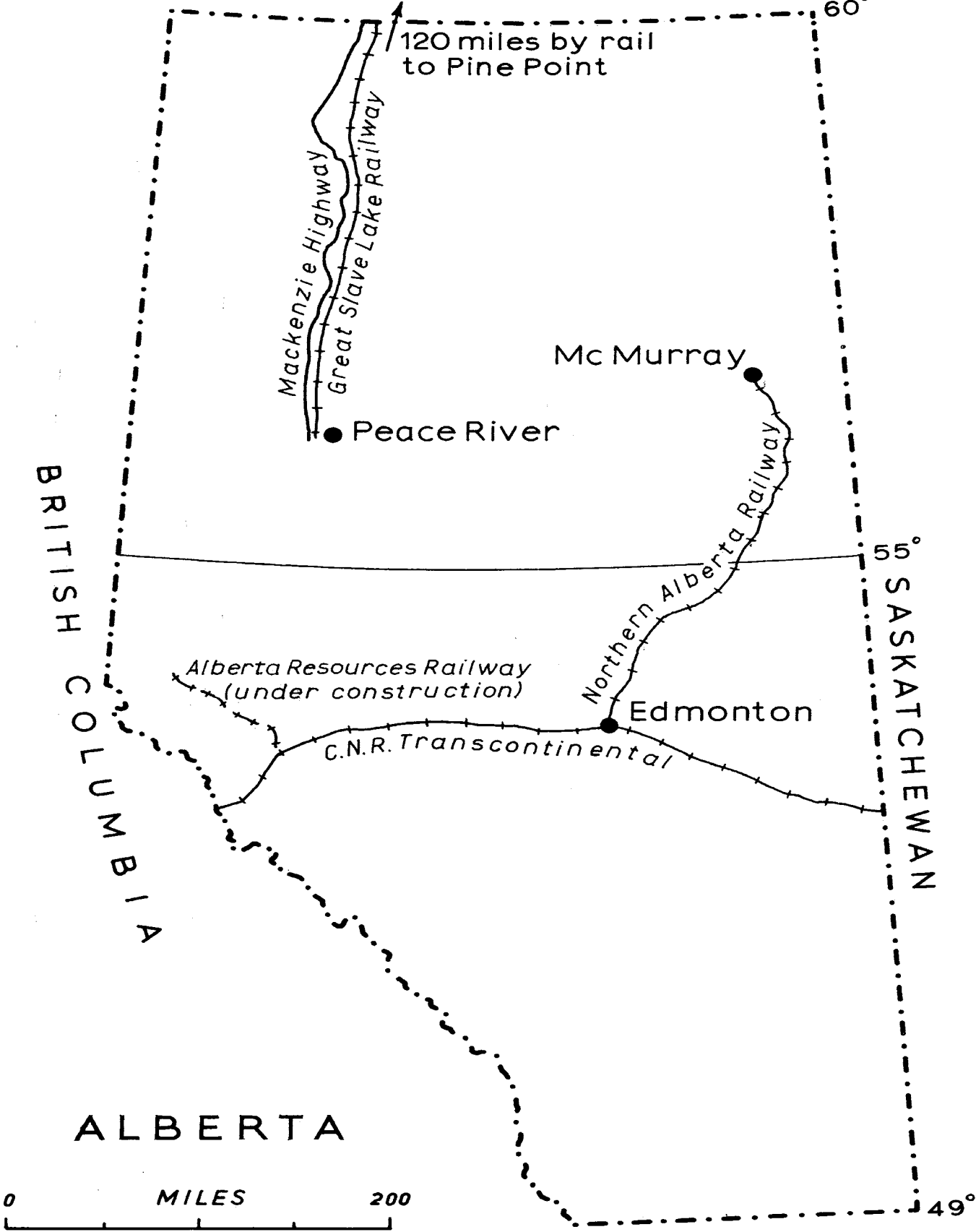
C.N.R. Transcontinental

ALBERTA

0 MILES 200

UNITED STATES

49°



Canadian National Railway east of Jasper to the junction of two ubiquitous Canadian rivers: the Smoky and the Muskeg. This region is south of the 55th parallel but it is "middle north" by every other definition. The line is to break new ground to a coking coal deposit at the Smoky River and to provide an outlet for that coal to the Japanese market. Controversy is now the order of the day. The railway is almost built, the deal with the Japanese may have fallen through and the tax-payers are saying that they are paying for yet another rail-road to nowhere.

The Provincial Treasurer is defending the project. "If we had relied only on economic forecasts the railway never would have been started." He has much Canadian precedent for that argument. Twenty years may prove him right but it is dangerous in Canada for a politician to plan two decades ahead when the commitment is for \$100 million and when that money is being spent in a region far removed from the mass of the tax-payers. Northern development is good copy in the Canadian press but few of us really believe in it enough to want to spend money on it.

I suspect that the Alberta government has been partly influenced in its decision to build the railway by the example of what the Pacific Great Eastern has done for the interior of B.C. Another example closer to home in Alberta has been the sudden success of the rail line to Pine Point. This was built by the Federal government (cost \$75 million) to enable Pine Point Mines on Great Slave Lake to come into production. It runs 420 miles from Grimshaw, Alberta to Pine Point on the south shore of Great Slave Lake. Trains began to operate in 1966 and the freight-haul is now much greater than the predicted tonnage. The line was built on the assumption that 215,000 tons of concentrate would come out of Pine Point each year. In fact, the total freight on the line is now close to 1,000,000 tons a year. This increase is made up of additional concentrate from Pine Point, lumber from new mills near the right-of-way, oil and gas extraction equipment bound for the new fields in north-west Alberta and produce and products which are flowing to some 2,500 new homesteads en route.

Some of the unforecast freight may dwindle as the early development of the region on both sides of the railway begins to level off. Pine Point Mines however, will continue to operate for decades and there is no doubt that the whole section of northern Alberta between Grimshaw and the 60th parallel will owe its new economic life to the railway. And there are now plans for feeder lines extending north into the Mackenzie valley in the Northwest Territories.

So, railways have proven to be a key tool in the economic development of the Canadian northwest. Alberta is banking on this experience to produce a similar result along the route of the new Alberta Resource Railway.

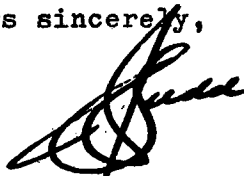
While it may be willing to gamble on transportation and communications for the north, the Alberta government seems intent on avoiding any kind of subsidy or government sponsorship for industry in the region. As one civil servant in Edmonton said to me, "Alberta is ultra free-enterprise." It shares this philosophy with British Columbia though the catch phrase there is a little different: "We'll have no damned hot-house industries in our north," - this according to a Minister in Victoria. The point is of course, that direct subsidies have not been necessary in either provincial north, so far. The petroleum, the timber, the minerals and the energy resources have been relatively easy and relatively inexpensive to exploit. The governments' job in British Columbia and Alberta has been to prime the economic pump by providing transportation links and cheap power. In subsequent newsletters I'll mention other parts of the middle north where subsidies are the order of the day.

There are other things I could write about northern Alberta; the Tar Sands at Fort McMurray; the Clear Hills iron ore; Peace River farming; the oil and gas at Rainbow Lake; and an honourable mention to the 40,000 industrious bee colonies of northern Alberta which produce three-quarters of a million dollars of honey each year. This type of catalogue is boring and has little value in a newsletter of this kind.

What I said in the last newsletter about British Columbia applies here. Both provinces have much the same case histories in the middle north. They represent what is now feasible, economic and generally desirable for the development of the region. Both provinces have, and have had for some time, the beginnings of a transportation system into the middle north. These highways and railroads have been an expensive investment but they are proof that easy access into the frontier is the first requirement for thorough exploration and large-scale development. Despite this experience there are still no national or interprovincial policies or plans for new transportation links into the middle north nor are there likely to be in the near future. The region north of the 55th parallel is still surplus to Canadian requirements. We do not yet need the middle north and in some ways we can better spend our surplus capital on southern ventures. Most of the investment on our frontier is from other countries on the continent and from overseas countries which need our raw materials.

In a way I suppose, we are something like parts of nineteenth century Africa which were developed with European capital for European needs. I do not imply by this that we are going through a stage of simple, old-fashioned colonial exploitation, but rather that Canada in its middle north must be aware that it has to respond to world markets and that it is going to have to spend more of its own money to keep other people's money coming in.

Yours sincerely,



David A. W. Judd