

THE POLITICS OF POWER: RURAL ELECTRIFICATION IN ALBERTA,  
1920 - 1989

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## ABSTRACT

Electricity is a part of the "cost-price squeeze" farmers face, as competing independent producers buying and selling from oligopolies and monopolies. Since this process can not be allowed to go on continuously, or the physical minimum required to sustain the farm community will disappear, the solution is presented by the government, which injects new funds and allows accumulation to continue.

Rural electrification is an excellent example: from the 1920s through the 1950s, the huge cost of individual electric service was beyond the resources of all but the wealthiest farmers, while for the power companies the financial benefits of building a rural infrastructure were negligible, if not negative. Yet eventually, electric service became an essential element in giving farmers a standard of living roughly comparable to that enjoyed by the rest of Albertan society; the only means to provide rural electrification was government intervention.

Analyzing rural electrification in Alberta provides a means to see government intervention in the social condition of agriculture from 1920 to the present and the differing political relationships to farmers of the United Farmers of Alberta, Social Credit, and Progressive Conservative governments.

## RESUME

L'électricité constitue une partie de l'entretien des coûts et des prix à laquelle font face les agriculteurs, en tant que producteurs compétitifs qui font leurs ventes et leurs achats d'oligopoles et monopoles. Puisque ce processus ne peut continuer de façon indéfinie sans que le minimum physique requis pour la reproduction de la communauté agricole ne disparaisse, la solution en est la contribution de nouveaux capitaux par le gouvernement, afin d'y permettre la continuation de l'accumulation.

L'électrification rurale en est un bon exemple: des années 1920 jusqu'aux années 1950, le coût énorme du service électrique dépassait les moyens de tous, sauf les agriculteurs les plus riches, tandis que pour les compagnies électriques les bénéfices financiers à retirer d'une infrastructure rurale étaient négligeables, sinon négatives. Pourtant, le service électrique est devenu essentiel afin de permettre aux agriculteurs un standard de vie comparable à celle des autres albertains; le seul moyen de le leur fournir fut l'intervention gouvernementale.

L'analyse de l'électrification rurale en Alberta permet donc de comprendre l'intervention gouvernementale dans les conditions sociales en agriculture de 1920 jusqu'à maintenant, ainsi que les relations politiques entre les fermiers et les gouvernements des Fermiers unis de l'Alberta, le Crédit social, et les Conservateurs progressistes



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## ABBREVIATIONS

Acc.	-	Accession
AFA	-	Alberta Federation of Agriculture
AFU	-	Alberta Farmers' Union
AGT	-	Alberta Government Telephones
ALN	-	Action Liberale Nationale
A.R. E.A.	-	Alberta Rural Electrification Association
AUREA	-	Alberta Union of Rural Electrification Associations
CCF	-	Cooperative Commonwealth Federation
CPR	-	Canadian Pacific Railway
EEMA	-	Electric Energy Marketing Agency
ERCB	-	Energy Resources Conservation Board
FUA	-	Farmers' Union of Alberta
GAI	-	Glenbow-Alberta Institute Archives
HEPC	-	Hydro-Electric Power Commission of Ontario
KVA	-	kilovolt ampere
kwh	-	kilowatt hour
LPP	-	Labour Progressive Party
MG	-	Manuscript Group
MLA	-	Member of the Legislative Assembly
MP	-	Member of Parliament
NDP	-	New Democratic Party
NFU	-	National Farmers' Union
PAA	-	Provincial Archives of Alberta
P.C.	-	Privy Council

PUB	-	Public Utilities Board
REA	-	Rural Electrification Association
REC	-	Rural Electric Council
R F P.	-	Request for Proposal
S C	-	Social Credit
SSGA	-	Saskatchewan Grain Growers' Association
UFA	-	United Farmers of Alberta
UFC(SS)	-	United Farmers of Canada, Saskatchewan Section
UFO	-	United Farmers of Ontario
UFWA	-	United Farm Women of Alberta
U/AUREA	-	Unifarm, Alberta Union of Rural Electrification Associations Records

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## CHAPTER ONE

## THE FARMER IN ALBERTA'S POLITICAL ECONOMY

In 1943, when only one in five Canadian farm homes had even electric lighting, the Agriculture Subcommittee of the Dominion Advisory Committee on Reconstruction wrote. "No single factor could add more to the improvement of living conditions on the farm than the supplying of electrical services."<sup>1</sup> Rural electrification was a fundamental demand of the farm community and a post-war project for every provincial government at a time of great expectations among Canadians generally for post-war improvements to their living standards.

For if the Second World War saw successful demands by workers and independent producers in Canada for change in relations of production (easier unionization through Order-in-Council P.C. 1003 for workers, new intervention in the market by government affecting farmers) most of all they expressed a deeper desire for a higher standard of living. In federal politics, the Liberals' commitment to "social security and human welfare" -- demonstrated most tangibly in the form of family allowances -- was enough to win them re-election in the summer of 1945.

However, governments could not implement every improvement in living standards with a monthly cheque in the mail. As a general rule, supplying electricity to farm homes was not profitable for any power company in Canada. Rural electrification, which remained strictly a provincial matter, meant government intervention in the distribution of electric power for social purposes. In provinces where electric utilities were owned by the government, the problem was mainly one of allocating resources and capital, of choosing between the needs of different consumers. But in a province such as Alberta the problem was of a different order: for the government, pursuing a policy of rural electrification meant trying to reconcile the interests of farmers with those of private power monopolies. Richards and Pratt have demonstrated

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<sup>1</sup>Canada, Advisory Committee on Reconstruction, I. Agricultural Policy, Final Report of the Subcommittee, (Ottawa, 1943), p. 44.

that the Social Credit government of Alberta was not prepared to assume any risk nor invest any capital when disposing of public resources which were for export, such as oil and gas: development was left to private, largely foreign companies.<sup>2</sup> But in the case of electricity, a locally-consumed public resource, effective control was also left in the hands of private monopolies while the government tried to satisfy the farmers' needs.

Alberta's program of rural electrification never satisfied the farm community, but its development, its implementation and the controversy that surrounded it show how farmers' interests were accommodated by successive provincial governments. It also demonstrates the priority Alberta governments gave to private capital, when its needs collided with the political demands of farmers.

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Living in a society in which wealth is divided unequally, Alberta farmers are members of a social class, and can be described as independent commodity producers:

In this [productive] relationship the ownership, operation, and control of the means of production are in the hands of the actual producer. That is, in its unmodified form there is no separation of labour from ownership of the means of production or the product of labour, ...the bulk of labour being provided by the real owner or family members.<sup>3</sup>

Independent commodity producers occupy a distinctive position in modern capitalism since it is dominated by the productive relationship between

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<sup>2</sup>John Richards and Larry Pratt, Prairie Capitalism Power and Influence in the New West, (Toronto, 1979), Chapter Four.

<sup>3</sup>Max J. Hedley, "Independent Commodity Production and the Dynamics of Tradition," Canadian Review of Sociology and Anthropology, vol. 13 (1976), p. 415. I have chosen to pass over the issue of why independent commodity production has continued in agriculture while capitalist production using wage labour predominates elsewhere. However, I would adopt the arguments of Mann and Dickinson that it is due to the incompatibility of the nature of the productive process in certain spheres of agriculture with the requirements of capitalist production (specifically, the non-identity of production time and labour time); Susan A. Mann and James M. Dickinson, "Obstacles to the Development of a Capitalist Agriculture," Journal of Peasant Studies, vol. 5 (1978), pp. 466-81.



wage labour and capital. Commodities (products destined for exchange) are generally produced when workers sell their labour for wages to owners of the means of production. Workers are exploited under capitalism in that their wage is less than the new value they have produced, the surplus value is appropriated by the employer.

Obviously farmers, as independent producers, do not sell their labour power, but they can nonetheless be described as being exploited under capitalism. The French agricultural economist Amedée Mollard has defined "exploitation of labour [as] the appropriation in any form by non-workers (feudal lords, merchants, or capitalists) of a surplus created by productive workers." Using this definition, he concludes farmers are exploited under capitalism, since they are never able to realize the entire value of their labour: "one part is extorted, directly or indirectly, and takes the form of ground rent, interest, value not realized in prices, etc...; another part is necessary for new investments in farm production..., finally, a last part is necessary in order to renew the labour force of the farmers and their families...."<sup>4</sup>

According to Mollard: "The firms in the agro-industrial complex, acting in an incoherent and uncoordinated manner, each aim to collect as much of the farmers' surplus as possible, without any concern for the contradictions that such a strategy entails in social terms." In Canada farmers are caught between powerful oligopolies in both the farm supply and the food processing industries -- a position commonly referred to as the "cost-price squeeze".<sup>5</sup>

Attempts by farmers to escape the cost-price squeeze through an increased volume of production in hopes of higher gross incomes must

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<sup>4</sup>Amedée Mollard, Paysans exploités; Essai sur la question paysanne, (Grenoble, 1978), pp. 229, 204 (my translation). A discussion of Mollard is available in English in Wilfrid Denis, "Capital and Agriculture A Review of Marxian Problematics," Studies in Political Economy, Number 7 (1982), pp. 138-44.

<sup>5</sup>Ibid., p. 214. On the cost-price squeeze in Canadian agriculture, see Don Mitchell, The Politics of Food, (Toronto, 1975), Chapter Three; see also, John Warnock, "The Farm Crisis," in Laurier LaPierre, et al, eds., Essays on the Left: Essays in Honour of T.C. Douglas, (Toronto, 1971), pp. 120-33.

always fail in the long term, since they produce in genuine competition with one another.

Under competitive circumstances the inevitable tendency in any period other than a very short one is toward equality between selling price and costs of production. Improvements in cultural practices, which are accessible to all producers on equal terms, will consequently tend to reduce costs of production and selling prices in equal measure.

This principle applies not just to improved technique, but also more generally to increased acreage and to mechanization. The gain in income for the farmer is never in proportion to his productive effort.<sup>6</sup>

Production increases also require large investments which benefit the same oligopolies which helped create the cost-price squeeze (e.g., farm machinery manufacturers, banks); they represent important financial commitments for the farmers which reduce their flexibility.

As a result, if the surplus is collected completely [by finance capital, farm supply and food processing firms], the labouring farmers cannot give up their investment and are obliged to find another source of financing to meet their commitments. For this they can only free up the only thing which still genuinely belongs to them: their labour power, which is to say, they are forced to underpay themselves.<sup>7</sup>

In the most severe cases, the only long-term solution for the farmer is to sell out, and the land then provides the basis for further expansion by another farmer.

Prairie farmers often use the sale of their labour power off the farm as a supplementary source of income. However, the anthropologist Max Hedley maintains this solution "tends to be pursued only when other options fail" because "it also increases the difficulty of farming and may lead directly to the development of poor farm practices." When pursued on a full-time basis it makes supervision of livestock and maintenance of equipment difficult while the work schedule conflicts

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<sup>6</sup>Vernon C. Fowke, The National Policy and the Wheat Economy, (Toronto, 1957), p. 291.

<sup>7</sup>A. Mollard, Paysans exploités, p. 215. There is no doubt that this occurs among prairie farmers; see Max J. Hedley, "Domestic Commodity Production: Small Farmers in Alberta," in David H. Turner and Gavin A. Smith, eds., Challenging Anthropology. A Critical Introduction to Social and Cultural Anthropology, (Toronto, 1979), pp. 289-90.

with the need to adjust farm activities to soil and growth conditions. Hedley has concluded that the work-farm pattern is a step towards loss of ownership.<sup>8</sup>

Thus there is an essential contradiction in independent commodity production under capitalism: in spite of the cost-price squeeze, there is a physical minimum farm families must have to maintain their existence or the very basis for accumulation of capital by the agro-industrial complex will disappear. As Mollard points out, in the end, the only way to ensure continued accumulation by capital in agriculture is for the State to act as a coordinating agent, to intervene and resolve the contradiction. These activities are part of the role of the State under capitalism, in its function as "ideal total capitalist": it is responsible for the "provision of those general conditions of production which cannot be assured by the private activities of the members of the dominant class."<sup>9</sup>

Governments finance corporate accumulation of capital in agriculture above and beyond the surplus actually produced by farmers. Mollard identifies two forms this takes in France: encouraging the use of credit to allow the farmer to make new investments based on future surplus, and increasing farm family incomes through social aid. Vernon Fowke's analysis of similar programs introduced in Canada by the federal government beginning in the later part of the Great Depression is similar to Mollard's:

State subsidization of facilities for agriculture is thus designed to lower the cost and to increase the availability of capital for farming operations. [...] Neither the agricultural credit acts nor the rehabilitation legislation have the purpose or the result of

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<sup>8</sup>M. Hedley, "Independent Commodity Production and the Dynamics of Tradition," pp. 418, 419. A distinction must be made between this new, year-round work-farm pattern and the various forms of seasonal labour common among farmers before the war (for instance, construction and lumbering in the winter, harvest labour in the fall). This phenomenon also points out another aspect of the problem: in effect, farms increasingly have had to compete for the family's labour with capitalist production.

<sup>9</sup>A. Mollard, Paysans exploités, pp. 214-15; on the State generally, Ernest Mandel, Late Capitalism, (London, 1978), p. 475.

modifying the competitive status of Canadian agriculture in domestic markets.

Measures introduced in Canada included the Farm Improvement Loans Act, later the Farm Credit Corporation, the Agricultural Prices Support Act, and family allowances; the federal government also undertook a policy of supply management, especially through marketing boards.<sup>10</sup>

The real context then, even for a program as innocuous as rural electrification by a Canadian provincial government, is the contradiction facing independent commodity production under capitalism. Because the structural pressure of their exploitation by capital forces farmers to underpay their own labour, the State has to intervene specially in their lives in order to maintain their level of investment and standard of living and permit both accumulation by capital and the form of production itself to continue.

Since the beginnings of European settlement in the 1870s, the Canadian prairies have had a "quasi-colonial" economic status, to use C.B. Macpherson's phrase. "The prairies, peopled by producers of grain and other primary products, were developed as an area for the profitable investment of capital, as a market for manufactured goods, and as a source of merchandising and carrying profits"<sup>11</sup> As the basis for settlement, independent commodity production created an ideal "investment frontier" its familial nature required relatively low government expenditure on infrastructure, ensured continued geographic expansion, and could continue even without a profit, so long as there was sufficient income for simple reproduction of the farm units.<sup>12</sup>

The concentration of prairie farming on production for export, however, created an unusually high dependency by farmers on certain

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<sup>10</sup>A. Mollard, Paysans exploites, pp. 216-18; Vernon C. Fowke, The National Policy and the Wheat Economy, p. 292

<sup>11</sup>C.B. Macpherson, Democracy in Alberta: Social Credit and the Party System, (Toronto, 1962), p. 7.

<sup>12</sup>Susan A. Mann and James A. Dickinson, "State and Agriculture in Two Eras of American Capitalism," in Frederick H. Buttell and Howard Newby, eds., The Rural Sociology of Advanced Societies Critical Perspectives, (Montclair, N.J., 1980), pp. 297-301.

monopolies, particularly in marketing and transportation. This was reinforced by the federal government's granting special privileges to certain companies (land and a legal monopoly to the Canadian Pacific Railway, for instance). The result was what S.M. Lipset called an "agrarian class consciousness" among prairie farmers.<sup>13</sup> In the early years of the twentieth century, large and influential farmers' organizations sprang up: the Territorial Grain Growers' Association in 1901 and the Canadian Society of Equity in 1908, which grew into the Saskatchewan Grain Growers' Association and the United Farmers of Alberta. The farm groups combined resentment of the power of the railways, grain companies, and eastern manufacturers, with demands for lower tariffs, government intervention, and political and social reform.

After tariff reform, the farm organizations' most frequent call was for intervention in the economy through government ownership. The 1921 Farmers' Platform of the Canadian Council of Agriculture, for instance, urged. "Public ownership and control of railway, water and aerial transportation, telephone, telegraph and express systems, all projects in the development of natural power, and of the coal mining industry."<sup>14</sup>

In their struggle against the line elevator companies and milling concerns in the grain trade before the First World War, farm groups in all three prairie provinces asked for provincially-owned and operated elevator systems. But the Alberta and Saskatchewan governments supported farmers' cooperative elevator companies, in order to avoid government ownership. (The Manitoba government briefly owned a poorly-administered system, but it quickly turned it over to the Grain Growers' Grain Company.)

During the First World War, the federal government did create a board with a monopoly on the sale of Canadian grain, giving farmers fixed prices and initial payments in order to keep the price of wheat low. However, with the end of the War it returned grain to the open

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<sup>13</sup>S M Lipset, Agrarian Socialism: The Cooperative Commonwealth Federation in Saskatchewan; A Study in Political Sociology, (Berkeley, 1968, rev ed ), Chapter Three.

<sup>14</sup>"The Farmer's Platform (As brought up-to-date, 1921)," cited in W.L Morton, The Progressive Party in Canada, (Toronto, 1950), Appendix C, p 305.

market system, which farmers had come to see as "inherently and incorrigibly detrimental to [their] interests " It was only in face of the federal government's refusal to restore the Wheat Board that in the 1920s prairie grain farmers set up operations to pool their produce and sell it centrally.<sup>15</sup>

The Canadian Wheat Board was re-established as a monopoly during the Second World War and has remained in existence since then, but the pattern remains. Governments generally avoided the direct intervention prairie farmers demanded of them In Vernon Fowke's words: "The economic liberalism underlying Canadian governmental policy has maintained an effective barrier against proposals designed to alter the position of the agricultural producer within the price system."<sup>16</sup> Provincial governments preferred subsidizing producers or their cooperatives to interfering in the marketplace

Nevertheless, farmers and the farm movement continued to hold high expectations of government By the early 1920s, the refusal of successive federal governments to accede to any significant part of the farmers' demands had led to their politicization and finally the entry of farmers' organizations into electoral politics at the federal and the provincial level. The coalition of members of Parliament from the farm movement known as the Progressive party had a spectacular but short-lived electoral success in spite of electing 65 members in 1921, it was unable to adopt consistent parliamentary strategy and policy and disintegrated, with the Liberals co-opting most of its MPs and supporters. After the election of 1930 it had virtually ceased to exist, its caucus reduced to nine members of the UFA, two Progressives from Saskatchewan and one from Ontario <sup>17</sup>

Provincial politics had originally been given less consideration, since the most controversial issues fell under federal jurisdiction and the leadership of many farm organizations had good relations with their

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<sup>15</sup>V.C Fowke, The National Policy and the Wheat Economy, pp. 139-52, 169-73, 196-99.

<sup>16</sup>Ibid, p. 289.

<sup>17</sup>W.L. Morton, The Progressive Party in Canada, pp 265, 112, Major A.L. Normandin, ed, The Canadian Parliamentary Guide, 1931, (Ottawa, 1931), p. 327.

provinces' governments In Alberta the most radical elements of the farm movement organized themselves into the Non-Partisan League and contested the 1917 provincial election against the wishes of the larger United Farmers of Alberta; two members were elected. The UFA itself contested all rural ridings in the provincial election of 1921, in order to ensure representation of farmers and out of a general disapproval of party politics and, therefore, of the ties between provincial and federal Liberals. To their own surprise, the UFA won a majority government.

The UFA entered electoral politics not as a formal political party, but committed to the particular philosophy of its president, Henry Wise Wood, that of "group government". It proposed the replacement of the party system by "the political mobilization of the people along occupational group lines, each unit, with its own solid basis of common interest, nominating and electing legislative representatives." This philosophy, however, had little concrete effect on the UFA government which administered the province without any change to the traditional legislative system until its defeat in 1935. In any case, "group government" reflected a class consciousness missing any real conception of class conflict. The political ideal envisioned by Wood was: " . When every class is organized, and we come together and find these things will be a resisting force when another class tries to do something wrong, and ..through the law of resistance.. [then] things will be properly carried out."<sup>18</sup>

What the UFA government manifested most clearly was Wood's fundamental conservatism: "I am absolutely opposed to class legislation or class domination," he told the 1920 convention. During the debate within the UFA on political action, in 1919, he told a district convention he was also opposed to the government ownership plank of the

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<sup>18</sup>C.B Macpherson, Democracy in Alberta, pp. 44-45. On the theory of group government, see especially Ibid., Chapter Two, and W K. Rolph, Henry Wise Wood of Alberta, (Toronto, 1950), Chapters Four and Five; Calgary Herald, 22 October 1919, cited in W.S. Morton, The Progressive Party in Canada, p 91.

Farmers' Platform and saw the aim of the UFA's political action as the substitution of business government for unprincipled party government <sup>19</sup>

The record of the UFA government, as one historian has recently pointed out, "was neither progressive nor particularly innovative." It was marked by great fiscal conservatism as the government tried to pay off the massive debts left by three terms of boom-time Liberal government, which had never hesitated to spend, especially on expensive infrastructure (railways, telephones) which local demand alone could not support. The UFA government had a corresponding policy of non-intervention, not only in the economy itself, but even in the field of social welfare: it delayed opting into the federal old-age pension scheme (initiated by UFA Members of Parliament), refused to institute unemployment or health insurance programs and delayed implementing depression relief measures. There was however, a consistent policy of government encouragement and support for farmers helping themselves through cooperative marketing: for instance, it sponsored dairy and egg and poultry marketing pools.<sup>20</sup>

Run for nine of its 15 years by John E. Brownlee, a corporate lawyer who had been the UFA's attorney, the government was not especially responsive to the United Farmers of Alberta as a body. In the words of his biographer: "For his part, Brownlee considered Convention resolutions a very poor basis for Government policy." Cabinet ministers did however attend the UFA's annual conventions and were asked to comment during debates, so that radical resolutions were sometimes defeated because ministers warned they might embarrass the government. The conventions always sent resolutions requesting government action to the cabinet, which considered them, but did not feel bound to carry them out, nor even always to explain its refusal <sup>21</sup>

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<sup>19</sup>W.K. Rolph, Henry Wise Wood of Alberta, pp. 90, 80-81

<sup>20</sup>Susan M. Kooyman, "The Policies and Legislation of the United Farmers of Alberta Government, 1921-1935," (M.A. thesis, University of Calgary, 1981), pp. iii-iv.

<sup>21</sup>Franklin Lloyd Foster, "John Edward Brownlee: A Biography," (Ph.D. thesis, Queen's University, 1981), p. 357, C.B. Macpherson, Democracy in Alberta, pp. 84-90.



Even in the crisis conditions of the depression of the 1930s, the government's conservatism persisted, while the UFA as a movement swung decidedly to the left. Under the leadership of more radical members and the UFA's MPs (especially Robert Gardiner, who replaced Wood as president), in 1933 the UFA helped found the Cooperative Commonwealth Federation as a national political alliance of progressive organizations. The UFA's 1932 convention adopted a statement of principles which called for social ownership of "all social means of production and distribution, including land" and especially of "the major public services and utilities." None of this, however, had any effect on the provincial government's policies, nor on the living conditions of Alberta farmers. In the view of historian Alvin Finkel, the contradiction merely disoriented them: "Most Albertans could not help but be confused by the spectacle of an organization whose conventions called for society to be turned upside down but whose elected provincial representatives called for restraint in government spending and the creation of a suitable climate for private investment."<sup>22</sup>

The result was the rise of a radical alternative, the Social Credit movement, based on ideas of monetary reform the UFA had seriously considered but finally rejected. Still characterized by a heavy dependence on wheat production, in the depression the Alberta economy was literally traumatized by the collapse in its world price. Net income per acre from wheat production declined from a 1927 high of \$14.79 to \$1.12 in 1935 (in 1932 it actually reached a net loss of \$3.30), while total expenses declined only from \$11.38 to \$7.18. Alberta farmers had incurred huge debts in the 1920s in order to finance the large capital outlays needed to expand their production and were now obliged to continue payment at a fixed charge in spite of their reduced income. Total indebtedness for Alberta's 89,550 farms in 1936 was

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<sup>22</sup>Alvin Finkel, "Obscure Origins: The Confused Early History of the Alberta CCF," in J. William Brennan, ed., "Building the Co-operative Commonwealth", Essays on the Democratic Socialist Tradition in Canada, (Regina, 1984), pp. 102-103, 101.

estimated at \$395,000,000, while agricultural cash income was only \$95,401,000 and the total value of farm capital only \$688,939,000.<sup>23</sup>

As in the case of group government, the real doctrine of social credit is relatively unimportant when considering the Social Credit movement and government in Alberta. The theory of social credit as elaborated in England by Major C.H. Douglas held that contemporary civilization was characterized by a constant increase in the flow of goods, through machine power, while people were still in want due to the failure of the financial system to distribute sufficient purchasing power to consumers. The solution proposed was for the State to take control of banking and issue debt-free credit, and to fix prices below cost in order to establish an equilibrium between national production and consumption.<sup>24</sup> For all the flaws in this economic theory, William Aberhart's Albertan version of Social Credit was even less sophisticated. As outlined in the Social Credit Manual published just before the 1935 election, it "recognizes individual enterprise and individual ownership, but it prevents wildcat exploitation of the consumer through the medium of enormously exorbitant spreads in price for the purpose of obtaining exorbitant profits." The solutions proposed were the famous \$25.00 basic dividend for each citizen in order to enable him to procure the necessities of life, the establishment of a just price mechanism, and "the provision for the continuous flow of credit."<sup>25</sup>

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<sup>23</sup>Hugh J. Whalen, "The Distinctive Legislation of the Government of Alberta (1935-1950)," (M.A. thesis, University of Alberta, 1951), pp 31-34; number of farms, cash income and capital value from Alberta, Department of Agriculture, A Historical Series of Agricultural Statistics for Alberta, (Edmonton, [1967?]), pp 134, 120, 111. Whalen notes that the total debt of urban citizens was estimated to be proportionately as high as the farm debt. Cash income from the sale of grains other than wheat and of cattle in the prairie provinces also declined sharply: from \$49 million in 1927 for coarse grains and flax to \$11 million in 1935, and from \$36 million to \$27 million for cattle and calves. Only income from dairy products remained relatively stable, G.E. Britnell and V.C. Fowke, Canadian Agriculture in War and Peace, 1935-50, (Stanford, 1962), Table 38, p 390.

<sup>24</sup>H J. Whalen, "The Distinctive Legislation of the Government of Alberta (1935-1950)," pp 52-54.

<sup>25</sup>As cited in Ibid., pp. 47-49.

Social Credit swept to power in 1935, winning 56 out of 63 seats, while the UFA was completely wiped out and subsequently abandoned political action. However, the new government was unable to implement its platform: its legislation attempting to regulate the press and taxation, to license credit institutions and to establish a system of provincial exchange was variously declared *ultra vires* by the courts, disallowed by the federal government, or reserved by the lieutenant-governor. Other than a Social Credit Board, reduced to an advisory function, the most noteworthy legislation and policy which remained concerned debt.

A Debt Adjustment Board had been established by the UFA government in 1923, and its powers extended somewhat in the early 1930s, to stay proceedings by creditors against debtor farmers and homeowners. The Board's powers were increased considerably by the new Social Credit government, and a series of laws passed between 1936 and 1941 hindered or prohibited proceedings against debtors and limited foreclosure actions. In another act, passed in 1936, interest payments on debts contracted before July 1, 1932 were eliminated, and reduced to five per cent for those contracted afterwards; the act was quickly declared unconstitutional by the courts. The entire set of debt adjustment acts was finally ruled *ultra vires* by the Privy Council in 1943, but by "always keeping just one step ahead of the courts," the government was able to provide extensive relief from creditors to farmers, homeowners and businessmen.<sup>26</sup>

Social Credit also solved the problem of the province's public debt (some \$147,512,457.49 in 1935, with 50 per cent of revenues spent on debt charges). It arbitrarily reduced the rates of interest payable to its bondholders. The \$3,600,000 the government saved allowed it to pay for relief programs without borrowing from either the federal government or through the bond market. Negotiations begun in 1941 and concluded in 1945 resolved any tensions between the Alberta government and bondholders by providing for refunding at a lower interest rate and an

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<sup>26</sup>Ibid., pp. 122-34; J.R. Mallory, Social Credit and the Federal Power in Canada, (Toronto, 1976 ed.), Chapter Six.

adjustment compensation. The compensation, however, was estimated still to have been only a third of the money the government had saved since 1936 through interest reduction <sup>27</sup>

By 1943, when the courts destroyed the last elements of the debt-adjustment legislation, the problem of farm debt had lost much of its urgency due to war-time regulation of agricultural production and marketing, price supports, and booming employment prospects for operators who sold out.<sup>28</sup> The legislation had, however, firmly entrenched the Social Credit party in rural Alberta and had left it with a radical cachet. In spite of the fact that after Aberhart's death in 1943 and the accession to the leadership of Ernest Manning, the party became devoted to the battle against socialism and for the preservation of free enterprise, during the depression it had made an effective attack on the established system of law and finance on behalf of Alberta's beleaguered debtor population. C B Macpherson has pointed out that the social credit doctrine holds "that the destruction of [finance] power by credit reform would remove oppression and misery without altering the labour-capital relationship; competition and private property would remain." He saw this doctrine as having a special attraction for Alberta, which he defined as a community in which the petit-bourgeois class, including farmers, predominated: "those whose living comes neither from employing labour nor from selling the disposal of their labour." For Macpherson, the success of Social Credit in Alberta was a continuation of the petit-bourgeois politics of the UFA, defined as business government and delegate accountability <sup>29</sup>

However, even if their economic positions were broadly similar, independent commodity producers and the urban petit-bourgeoisie in Alberta did not necessarily see themselves as being allied, politically or economically. Farmers felt exploited by the businessmen and professionals in the towns who controlled their supply of credit. As

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<sup>27</sup>H.J. Whalen, "The Distinctive Legislation of the Government of Alberta (1935-1950)," pp. 135, 213.

<sup>28</sup>Ian MacPherson and J.H. Thompson, "An Orderly Reconstruction: Prairie Agriculture in World War Two," Canadian Papers in Rural History, vol. 4 (1984), pp. 20, 27-28.

<sup>29</sup>C.B. Macpherson, Democracy in Alberta, pp. 235, 225, 232

rural sociologist Jean Burnet explains: "The merchants could give or withhold credit for food and clothing and other essentials of daily living and for capital goods required for farming, while the banks and loan agents could give or withhold money."<sup>30</sup>

The UFA, for all its conservatism in government, represented a genuine agrarian class consciousness and one which was not exclusively concerned, as Macpherson would have it, with "a tension between the independent producers within, and the pressures of the other classes outside, the provincial economy."<sup>31</sup> The emergence of the UFA as a farmer's political party (which only once presented a candidate in an urban riding provincially) did express a conflict between town and country, between the farmers and the urban petit-bourgeoisie which acted as the agent of "the other classes outside". In 1946, a Hanna-area farmer told Burnet:

I am a U F A. life member, mind you, but the U.F.A. is partly responsible for the cleavage [between farmers and townsmen]. Before they came along you were either a Grit or a Tory, and when a town person came along he was either a Grit or a Tory, and if you were a Grit and he was a Grit, you had something in common with him. But the U F.A. stressed that the farmers and the town people had nothing in common, and they are in large part responsible for the split

Both the UFA government and the organization also encouraged producer and consumer cooperatives that reduced the economic dependence of the farmers on town-dwelling merchants.<sup>32</sup> According to Burnet, tensions were reduced during the depression, "not only by the changed attitude of the townspeople, but also by a loss of confidence [by the farmers] in themselves which arose from drought and depression "

The most spectacular manifestation of the change in outlook was the support of the Social Credit movement by both farmers and townspeople in 1935. This represented a breaking-away of the farmers from the political party that they had helped to form, to join a party that cut across the town-country line. In the Hanna area the leaders of the Social Credit group included doctors, an implement dealer, two evangelical preachers, and other townsmen, as well as a few farmers. The candidates in the provincial and

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<sup>30</sup>Jean Burnet, Next-Year Country: A Study of Rural Social Organization in Alberta, (Toronto, 1951), pp 78, 83.

<sup>31</sup>C.B. Macpherson, Democracy in Alberta, p. 235.

<sup>32</sup>Jean Burnet, Next-Year Country, p. 83.

federal elections for the constituencies in which Hanna lies were a professional man and a farmer.<sup>33</sup>

Social Credit subsumed the conflict between farmers and the petit-bourgeoisie in the towns, first into a common struggle against finance capital, later into a common struggle for the preservation of individual enterprise. The underrepresentation of farmers among the Social Credit government's legislators and its cabinet, compared both to the population as a whole and to the UFA government (Tables 1 through 4), demonstrates the degree to which this took place to the petit-bourgeoisie's advantage and under its leadership.

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<sup>33</sup>Ibid., pp. 85-86, 88. The first time the UFA presented a candidate provincially, in the Cochrane by-election of 1919, he was successful but lost both towns in the riding to the Liberal and won the village by only two votes; W.K. Rolph, Henry Wise Wood of Alberta, p. 86.

TABLE I  
MAJOR OCCUPATIONS (%), ALBERTA CENSUS POPULATION\*, 1911 - 1961

	1911	1921	1931	1941	1951	1961
Occupation						
Professional	3.1	4.5	5.1	5.6	6.8	9.6
Proprietary & Managerial	4.8	5.9	4.8	5.0	7.2	8.0
Agriculture	49.9	52.8	50.9	49.0	32.5	21.3
Others	42.2	36.8	39.2	40.4	53.5	61.1

\*Labour force 15 years of age and over.

TABLE II  
MAJOR OCCUPATIONS (%) OF LEGISLATORS AND MINISTERS COMPARED:  
LIBERAL, UFA AND SOCIAL CREDIT GOVERNMENTS, 1905 - 1971

	Lib 1905-21		UFA 1921-35		S C 1935-71	
	Leg.	Min.	Leg.	Min.	Leg.	Min.
Occupation						
Professional	28.1	66.7	26.0	21.5	36.2	60.4
Proprietary & Managerial	38.3	22.2	21.9	7.1	35.3	18.6
Agriculture	30.8	11.1	50.0	71.4	24.0	16.3
Others	2.8	-	2.1	-	4.5	4.7
	n=107	n=18	n=96	n=14	n=221	n=43

Source: H.L. Malliah, "A Socio-Historical Study of the Legislators of Alberta, 1905-1967," (Ph.D. thesis, University of Alberta, 1970), Tables VII-10, -11, -12, pp. 177-178.

TABLE III  
COMPARATIVE VIEW OF OCCUPATIONS OF LEGISLATORS, 1905 - 1971

Occupation	Liberal		UFA		Social Credit	
	No.	%	No.	%	No.	%
Teaching	1	0.9	6	6.3	38	17.2
Law	19	17.8	12	12.5	20	9.0
Medicine	8	7.5	2	2.1	13	5.9
Civil Serv.	0	0.0	2	2.1	6	2.7
Clergy	1	0.9	0	0.0	4	1.8
Engineering	2	1.9	3	3.1	3	1.4
Business & Management	40	37.4	21	21.9	78	35.3
Farming	33	30.8	48	50.0	53	24.0
Labour	2	1.9	1	1.0	2	0.9
Housewives	1	0.9	1	1.0	4	1.8
Sub-total	107	100.0	96	100.0	221	100.0
Not Known	2	2	4			
Total	109	98	225			

Source: H.L. Malliah, "A Socio-Historical Study of the Legislators of Alberta, 1905-1967," (Ph.D. thesis, University of Alberta, 1970), Table III-4, p. 51.

TABLE IV  
COMPARATIVE VIEW OF OCCUPATIONS OF CABINET MINISTERS, 1905 - 1971

Occupation	Liberal		UFA		Social Credit	
	No.	%	No.	%	No.	%
Teaching	1	5.5	0	0.0	16	37.2
Law	8	44.5	2	14.3	3	7.0
Medicine	1	5.5	0	0.0	4	9.3
Civil Serv.	0	0.0	1	7.1	0	0.0
Engineering	1	5.5	0	0.0	2	4.6
Accountancy	0	0.0	0	0.0	1	2.3
Journalism	1	5.5	0	0.0	0	0.0
Business & Management	4	22.3	1	7.1	7	16.3
Farming	2	11.2	10	71.5	7	16.3
"Employees"	-	-	-	-	3	7.0
Total	18	100.0	14	100.0	43	100.0

Source: H.L. Malliah, "A Socio-Historical Study of the Legislators of Alberta, 1905-1967," (Ph.D. thesis, University of Alberta, 1970), Tables IV-3, IV-9, IV-15, pp. 78, 92, 107.



The alliance between the urban petit-bourgeoisie and farmers points out an essential difference between Social Credit and the Cooperative Commonwealth Federation, which took power in Saskatchewan in 1944. In the 1920s the leadership of the Saskatchewan Grain Growers' Association had successfully resisted the movement for political action on the provincial level, being closely allied to the governing Liberals. In 1926, however, the SGGA merged with the more radical Farmers' Union to form the United Farmers of Canada (Saskatchewan Section), in order to build the Wheat Pool. The new organization came to be dominated by its left-wing through the struggle for a compulsory pool at the end of the decade, the near-collapse of the Wheat Pools and the broader impact of falling prices on farmers after 1930 allowed the adoption of a clearly socialist philosophy by the UFC(SS).

In 1931 the UFC allied with urban trade unionists in the Independent Labour Party to create a separate farmer-labour party, which, after the formation of a similar alliance across Canada in 1933, became the CCF. Its program called for a new social order based on production for use and not for profit. Though the party won majority governments in every election between 1944 and 1964 and steadily moderated its platform, the CCF always had its lowest support in small urban centres. Attempts to win the support of businessmen and professionals were unsuccessful and the more radical among them actually supported Social Credit when it presented candidates in Saskatchewan, especially in 1934 and 1938.<sup>34</sup>

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The stability of Alberta politics in the post-war period, which saw Social Credit majority governments reelected half a dozen times between 1948 and 1971, usually with over half of the popular vote, was matched by the "peaceable activity" of the farm movement. There were periods of good cash returns in the early 1950s and much of the 1960s and new government programs offering credit and stabilization payments at times of poor crops or depressed prices, which reduced discontent. As well,

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<sup>34</sup>S.M. Lipset, Agrarian Socialism, pp. 81, 84-88, 99-117, 197-200, 470-71.

after a generation of political and economic activism, there were now rapid structural changes in agriculture which exerted pressure on individual farmers and distracted them from the organized farm movement.<sup>35</sup>

The essence of the change in prairie agriculture after World War II, often obscured by the rapid growth in the scale of production units and their capitalization, was the role of labour. In the 1930s there had been a "superabundance" of labour on Canadian farms, which "was not, however, a tribute to any abundance of economic prospect on Canadian farms but rather a depressing proof of the absence of employment opportunities in urban centers. [...] Workers and potential workers who with the slightest encouragement would have moved year by year into non-agricultural employment were immobilized on the farm."<sup>36</sup> Once the war began, industry and the armed forces permitted a rush of surplus labour off the farms; a major post-war boom meant that labour never had to return.

Urban wage labour became an increasingly attractive alternative for the rural population: there were no new settlement areas for farmers' sons, there remained a sharp difference between urban and rural standards of living, and urban wage rates enjoyed a steady, stable increase in contrast to fluctuating farm income. For instance, using 1939 as a base, the total amount of wages and salaries paid in manufacturing in Alberta went up every year for two decades, except for a dip of 6.7 per cent in 1944, and had increased 1026.7 per cent by 1960. By contrast, over the same period the net farm income in Alberta available for living expenses and investment increased only 325.9 per cent and there were decreases ranging from 10.8 to 192.2 per cent in eight of those years.<sup>37</sup>

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<sup>35</sup>Grace Skogstad, "Farmers and Farm Unions in the Society and Politics of Alberta," in Carlos Caldarola, ed., Society and Politics in Alberta, pp. 227, 230.

<sup>36</sup>G.E. Britnell and V.C. Fowke, Canadian Agriculture in War and Peace, 1935-1950, p. 171.

<sup>37</sup>Comparison drawn from Series M109-118 ("Realized farm net income, Canada and by province, 1926 to 1974") and E30-40 ("Annual wages and salaries in manufacturing, by province, 1926 to 1975") in F.H. Leacy,

On the farms the result was an absolute reduction in the available labour force. The number of operators declined as thousands of farmers sold out, but the number of agricultural employees and especially of unpaid family workers decreased even more rapidly. Across Canada, the number of unpaid family workers on farms went from 420,000 in 1946 to 250,000 ten years later. The cost of farm labour soared using the 1935-39 period as a base, there was a 444.2 per cent increase in farm wage rates in Western Canada between 1940 and 1960, compared to only a 114 per cent increase in farm family living costs and a 126.3 per cent increase in the cost of equipment and materials.<sup>38</sup>

The only way to replace the lost labour force was through the extraordinary increases in machinery and equipment which took place on prairie farms after the war. While the number of farms declined, the number of trucks, tractors, combines and electric motors farmers in Alberta owned all more than doubled between 1941 and 1951. Moreover, farmers were directed into increased productivity by the federal government, which provided loans to assist capital expansion as well as intervening to keep farm market prices stable, both in order to increase

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ed., Historical Statistics of Canada, (Ottawa, 1983). The same point is made in David A Wolfe, "The Rise and Demise of the Keynesian Era in Canada Economic Policy, 1930-1982," in Michael S. Cross and Gregory S. Kealey, eds., Modern Canada, 1930-1980's, (Toronto, 1984), Table 3, "Structural Changes in Income, 1930-1982," pp. 66-67: he demonstrates that between 1940 and 1960 labour's share of the national income increased from 63.3 to 69.8 per cent and ranged between 61.7 and 69.8 per cent over the period, farm income declined from 9.5 to 3.6 per cent and ranged between 3.6 and 11.5 per cent.

<sup>38</sup>G E Britnell and V.C Fowke, Canadian Agriculture in War and Peace, 1935-1950, pp 408-409; Alberta, Department of Agriculture, A Historical Series of Agricultural Statistics for Alberta, "Western Canada Price Index Numbers of Commodities and Services Used by Farmers," pp. 126-27. The use of figures on the number of unpaid family workers for all of Canada is obviously problematic, given the sharp differences between agriculture on the prairie and elsewhere, but the statistical series cited by Britnell and Fowke (entitled "Labour Force Bulletin" until 1949 and "The Labour Force; A Quarterly Survey" thereafter, Statistics Canada Catalogue No 71-001) only gave information for all of Canada. The regional totals in the Census of Agriculture cannot make up for this, since the Census reported the number of family and hired farm workers in 1946, reported nothing in 1951, and changed to reporting the number of months of hired labour in 1956.

exports and to maintain low domestic food prices.<sup>39</sup> However, a report on agriculture commissioned by the 1957 Royal Commission on Canada's Economic Prospects made a revealing observation when it complained that in this increase "the emphasis has been on output per man on the prairie belt of Western Canada, and not on output per acre"<sup>40</sup> Farmers pursued a rational strategy of maximizing the productivity of their own labour to compensate for the loss of hired help and unpaid family workers

The changes in technology had a profound effect on the farm community, accentuated by government policy. Increasingly expensive machinery and equipment made increasingly larger farms more economical in any case, but in the immediate post-war the federal government lifted controls on the prices of goods farmers had to buy while implementing long-term price-fixing formulas for export commodities such as wheat. As David Monod has demonstrated the effect of this policy was to accentuate the differences between large- and small-scale producers. a fixed return gave large, mechanized farmers the income security they needed for a program of further investment, but it locked undercapitalized farmers into a position of inferiority.

In the late 1930s the left wing of the farm movement, the UFC(SS) and the Alberta Farmers Union (formed in 1938 by dissident, more militant members of the UFA), had formulated a response to this kind of problem in their demand for "parity," a price level the government would set for farm commodities which corresponded to the cost of production. "Prices would then be adjusted according to the relative scale so that changes in the cost of one commodity would immediately be counterbalanced by an upward or downward revision in the price of the others."<sup>41</sup>

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<sup>39</sup>Alberta, Department of Agriculture, A Historical Series of Agricultural Statistics for Alberta, "Number of Specified Machines on Farms, Alberta," pp. 136-37; Don Mitchell, The Politics of Food, pp. 20-21.

<sup>40</sup>W. M. Drummond and W. Mackenzie, Progress and Prospects of Canadian Agriculture, (Ottawa, 1957), p. 83, cited in G.E. Britnell and V.C. Fowke, Canadian Agriculture in War and Peace, 1935-1950, p. 412

<sup>41</sup>David Monod, "The End of Agrarianism: The Fight for Farm Parity in Alberta and Saskatchewan, 1935-48," Labour/Le travail, no. 16 (1985), pp. 129-31, 124, 121.

With the end of war-time regulation it became clear the federal government's new agricultural policy would not even begin to implement parity. In protest, the AFU and the UFC(SS) held a thirty-day delivery strike in September 1946, in which at least 60,000 farmers participated and which "at its height interrupted deliveries of produce to almost every local point outside the Palliser's Triangle area." Although the federal government responded by establishing a Prices Support Board to investigate parity, it took no further action and the strike must be judged a failure. Two years later the UFC(SS) collapsed and the AFU merged with the moderate UFA to form the Farmers Union of Alberta. Nor did the small farmer survive: with growing mechanization, the average farm size in Alberta grew from 491 acres in 1946 to 645 in 1961 and 790 in 1971 <sup>42</sup>

Agricultural economist Don Mitchell maintains there was an ideological change among farmers after World War II -- that the majority gave up on the historic battle for higher commodity prices. They came to believe that improved efficiency through new technology could increase the volume of production and revenues sufficiently to offset the cost-price squeeze, the difference between the rate of increase in production costs and in the gross return on commodity sales. But the delivery strike had shown the limits of collective action and the alternatives were to tolerate low incomes and living standards and keep debts low, relying on self-sufficiency in food and off-farm employment, or simply to sell out.<sup>43</sup> In the world of post-war prairie agriculture, the questions of technology, productivity and labour time had come to rival the old issues of prices, tariffs and debt.

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<sup>42</sup>Ibid., pp. 140-43; statistics from Alberta, Department of Agriculture, A Historical Series of Agricultural Statistics for Alberta, p. 134; and from Alberta Land Use Forum, Technical Report No. 11, Structure of Alberta Farms, (Edmonton, 1974), Table 1.

<sup>43</sup>Don Mitchell, The Politics of Food, pp. 18-19.

## CHAPTER TWO

THE UNITED FARMERS OF ALBERTA GOVERNMENT  
AND POWER FOR ALBERTA FARMERS, 1920-1935

The production and distribution of electric power is almost inevitably a monopoly and it remained a private monopoly in most provinces of Canada for the first half of this century. Monopoly has traditionally aroused the enmity of farmers when they come into contact with it, since, by contrast, they have to suffer the disadvantages of selling in a competitive market. As well, the notion of a private monopoly over the exploitation of natural resources originally in the public domain runs contrary to the collectivist element in the ideology of the prairie farm movement.

Electric utilities, moreover, were able to determine not only industrial development, but also access to household equipment and appliances and to machinery, usually labour-saving devices, which could considerably alter a family's standard of living. But electric service generally requires high levels of consumption and the lower-volume domestic service in particular demands high levels of market saturation in order to return the relatively high fixed costs for infrastructure and provide a profit. Since farm homes were able to assure neither high volume nor large-scale consumption and the distances between them increased costs far beyond those for service in urban areas, private utilities rarely served them. Across North America the rate of rural electrification was a fraction of that in the cities until well into the 1950s.

Several things helped to impress on North American farmers the benefits which could come from electricity: rural power lines built by the provincially-owned Hydro-Electric Power Commission of Ontario beginning in 1911; large-scale rural electrification projects in continental Europe immediately before and after World War I; the use of gasoline- and wind-powered electric plants in rural areas; and the domestic service available in the larger towns and cities by the turn of the century. But farmers' ability to obtain electric service was

largely determined by the utilities. A few bought electric plants and an even smaller number were able to make individual arrangements with power companies, while another minority set up local cooperatives. There were rural electric cooperatives on the American plains at least as early as 1914 and 50 were in existence across the United States in 1935, but they were plagued by high costs, inadequate financing, and technical problems. In Saskatchewan in 1920, seven farmers west of Moose Jaw formed the Greendale Light and Power Company on a non-profit basis, to buy power wholesale for their own use from the City of Moose Jaw. However, their example does not seem to have been widely followed: this was perhaps due to the large initial capital investment of \$20,000, to which was added, in 1930, the refusal by the private company which had bought Moose Jaw's power plant to extend the service, which it found unprofitable.<sup>1</sup> For the majority of farmers, rural electrification could only be achieved by political means.

In Ontario the Hydro-Electric Power Commission began providing power to rural districts in 1911 on application by residents through their township councils. Within a year, distribution was initiated for farms and villages in ten townships, but World War I interrupted further construction. In most places, rural service did not have enough customers per mile to meet the system's minimum consumption levels and it was available to less than one per cent of Ontario's farms in 1919, when the HEPC instituted a policy of providing service only to districts where at least 25 per cent of potential customers agreed to take it. With the end of the war hydro-electric development again became a major political issue, as small-town manufacturers began a campaign for uniform power rates across the province, hoping to overcome the cost advantage enjoyed by the largest centres in southwestern Ontario, and the United Farmers of Ontario movement decided to support them.<sup>2</sup>

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<sup>1</sup>D. Clayton Brown, Electricity for Rural America; The Fight for the REA, (Westport, Conn, 1980), pp. 13-15; Lois Carol Volk, "The Social Effects of Rural Electrification in Saskatchewan," (M.A. thesis, University of Regina, 1980), p. 24.

<sup>2</sup>Keith Robson Fleming, "The Uniform Rate and Rural Electrification Issues in Ontario Politics, 1919-1923," (M.A. thesis, University of Western Ontario, 1979), pp. 21-26, 75, 80.

The provincial government, which had passed to the UFO in 1919 (though relations between the government and its original supporters were at least as problematic as for the UFA in Alberta) responded with a committee of inquiry. The committee recommended against a provincial flat rate, but suggested flat rates within rural municipalities and municipal power zones. It also recommended a \$2.00 per horsepower rental on hydro-electricity, which would pay for assistance of up to 80 per cent of construction and maintenance costs "to encourage agricultural districts, where the price of power is now unduly high, in utilizing electric light and power in the home and upon the farm."<sup>3</sup>

The government believed rural electrification was essential in order to keep population on the land -- a goal which was practically its raison d'être -- but was afraid of alienating urban residents who would have subsidized it directly through the special power rental. Instead, in 1921, the UFO government created a Hydro-Electric Power Extension Fund with the province's waterpower rentals, to provide 50 per cent of the annual costs of construction and maintenance of rural power zone transmission lines. This measure was greeted with considerable scepticism; the UFO newspaper The Farmers' Sun, for instance, called it "very unsatisfactory and piece meal." But a subsequent construction program, based on newly-defined Rural Power Districts "using as [their] basic criterion the distance power could be supplied feasibly in any vicinity from transmission lines and stations," rather than township boundaries, was able to provide service to 13,563 new rural customers by 1923. Though the UFO government went down to defeat that same year, rural electrification was not an issue in the election.<sup>4</sup>

Further measures were added in 1930 when a \$2,000,000 fund was established to provide \$1,000 loans at six per cent interest to individual farmers for service lines, installation in homes and farm buildings, as well as the purchase of a number of home appliances and farm implements. Maximum rates were also established and temporary

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<sup>3</sup>Ontario, Report of a Committee of the Legislative Assembly of Ontario on a More Equitable System of Distribution of Hydro-Electric Power and a More Uniform Price, 1920, p. 3, cited in *Ibid.*, pp. 89-91.

<sup>4</sup>*Ibid.*, pp. 104-105, 117, 120, 109-110, 124.



subsidies provided to rural power districts in newly-settled areas where the rates would otherwise be exceeded. Finally, in 1943 the various rural power districts were amalgamated for purposes of administration and operating costs, and in 1944 a uniform rate for rural service across Ontario was established in preparation for a major program of post-war rural electrification. By 1945, 55 per cent of Ontario farms already received electric service <sup>5</sup>

In the United States during the 1920s, the private power companies' National Electric Light Association created a Committee on the Relation of Electricity to Agriculture which demonstrated and publicized the possibility of applying electricity to a range of farm activities, "from pumping water to heating seedbeds for crops, from milking cows to watering poultry " Experimental service areas also allowed selected farmers to test electricity in the home. "Use of appliances reduced the drudgery and time spent at backbreaking chores, and with greater consumption of energy the cost per kilowatt-hour was also reduced." In no area outside of the Pacific coast, however, did the private utilities arrive at a rate structure for farms which they considered profitable and, when added to the high costs of wiring and appliances, still permitted wide-scale rural electrification.<sup>6</sup>

The absence of rural electric service was thus added to the list of grievances against the private utilities by American progressives, who advocated public power (often citing Ontario as a positive example). Rural electrification in particular became a significant, if not a pre-eminent, item on the progressive agenda for social and economic reform. In the presidential election of 1932, Franklin Roosevelt endorsed public power and, once elected, rural electrification became part of his New Deal, an integral part of its program for agricultural rehabilitation.

In 1935 the Roosevelt administration created the Rural Electrification Administration, which first sought the private utilities' cooperation, offering large capital funds in return for area

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<sup>5</sup>Albert Rioux, L'Electrification rurale du Québec, (Sherbrooke, 1942), p. 57; M.J. McHenry, "Rural Electrification," The Canadian Banker, vol 52 (1945), pp. 84-87.

<sup>6</sup>D Clayton Brown, Electricity for Rural America, pp. 5-7.

coverage and rate reductions. When they refused, it launched an ambitious program of support to cooperatives through billions of dollars in low-interest loans, as well as legal, financial and technical support. The cooperatives, which usually counted several thousand members each, were preferred customers of federal power projects, such as the Tennessee Valley Authority, and groups of rural electric cooperatives together were able to undertake their own power generation and transmission, supported by federal loan guarantees. These competing sources of energy also resulted in lowered wholesale costs for the cooperatives supplied by private utilities. The Rural Electrification Administration was both successful -- some 268,000 farm households in 417 cooperatives were connected in the years between 1935 and 1939 alone and electrification was close to 100 per cent by 1953 -- and it received the enthusiastic support of the organized farm movement in America. This made the Rural Electrification Administration one of the best-known and most popular rural benefits of the New Deal.<sup>7</sup>

The first discussion of electric power by the United Farmers of Alberta seems to have been at the convention of 1919, when the DeWinton local moved: "Whereas, a supply of cheap electrical power would be of great benefit to all classes in Alberta, Resolved, that the Provincial Government be requested to adopt a policy of developing publicly owned hydro-electric power." The convention minutes note the resolution was, "To be discussed with Government."<sup>8</sup>

This policy followed not only from the public ownership planks in the Farmers' Platform, but also from the provincial government's past actions. In 1908 the Liberal government had taken over the Bell

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<sup>7</sup>Ibid., pp. 121-29, 75; N.E. Shecter, "Low purchased energy costs to the rural electric cooperatives," Land Economics, vol. 42 (1966), pp. 304-14. Ironically, since the Second World War, the American rural electric co-operatives' ambitious power generation projects have led to increasing cooperation with the private utilities, for an interesting but pessimistic analysis of the results, see Jack Doyle with Vic Reinemer, eds., Lives Across the Land; Rural Electric Cooperatives. The Changing Politics of Energy in Rural America, (Washington, D C, 1979)

<sup>8</sup>Glenbow-Alberta Institute (hereafter GAI), United Farmers of Alberta Records, M-397, UFA Annual Report and Year Book, 1918 (including Minutes of the Eleventh Annual Convention, 1919), p. 70.

Telephone Company in Alberta, which served urban centres but refused to supply rural service. The Minister of Public Works, William H. Rushing, had explained the takeover in the following terms:

The Alberta government believes that if it has any function at all it is to protect the people from such monopolies. [...] It desires to create the means by which the farmers will secure the business advantages that will result from a system of municipal telephones throughout the province of Alberta.<sup>9</sup>

A recent analysis describes the campaign for a publicly-owned telephone system in Alberta and Manitoba more cynically: "In an aspiring, debt-ridden, grievance-prone hinterland of a metropolitan economy, politicians found something that they could do, at an absentee's expense, which they claimed would also address other deep-seated complaints." Bell Telephone sold its system on the prairie to the three provincial governments and used the proceeds to further develop service in Quebec and Ontario. According to Christopher Armstrong and H.V. Nelles, "it was a private choice [by Bell], the product of a rational decision about the allocation of scarce resources. Bell had better uses for its money than competing with governments that were unlikely to be deterred by losses, especially when their objectives more or less demanded losses." The resulting Alberta Government Telephones, did marry profitable urban service (outside of Edmonton) to a costly and far-flung network of unprofitable rural extensions. After its election, the UFA government cancelled the Liberals' plans for the construction of over 3,000 miles of new rural telephone extensions and announced in 1923 that since the existing rural lines had a deficit of \$670,000 that year they would no longer be built unless their revenue met their costs.<sup>10</sup>

According to the resolutions voted at its conventions, the UFA was elected to government committed to public ownership and development of natural resources, including the coal and water power which provided

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<sup>9</sup>Canadian Annual Review, 1907, pp. 597-98, cited in Eric J. Hanson, "A Financial History of Alberta, 1905-1950," (Ph.D. thesis, Clark University, 1952), pp. 120-21.

<sup>10</sup>Christopher Armstrong and H.V. Nelles, Monopoly's Moment; The Organization and Regulation of Canadian Utilities, 1830-1930, (Philadelphia, 1986), pp. 182-83, 185. Susan M. Kooyman, "The Policies and Legislation of the United Farmers of Alberta Government, 1921-1935," (M.A. thesis, University of Calgary, 1981), p. 111.

Alberta's electricity. In 1920 it was resolved "that we, the U.F.A. in convention assembled go on record as being unalterably opposed to any further alienation from the Crown, of. .Natural Resources excepting in so far as is necessary to make grants of land for homesteads ... it being the intention of this resolution to prevent the alienation of Natural Resources for the purpose of speculation or exploitation but that the Government as far as possible control, develop, or operate such Resources in the interests of all the people " The matter was confused by the fact that the federal government controlled all of Alberta's natural resources before 1930 and so the 1922 convention resolved that the UFA petition its new provincial government "to reopen negotiations with the Dominion Government, to surrender all the natural resources of this province...to be controlled, developed and operated in the interests of the people by the Provincial Government "<sup>11</sup> Yet when new hydro-electric development for Alberta was announced in 1923, the UFA government chose to intervene in favour of provincial control but refused to commit itself to provincial ownership Calgary Power, a private utility controlled by Izaak Walton Killam's Montreal Engineering Company, had been built on the monopoly the federal government gave it over waterpower in the Rocky Mountains and thus over hydro-electric power for all of southern Alberta <sup>12</sup> In the early 1920s the City of Calgary became concerned about the adequacy of its power supply and in 1923 Calgary Power, which supplied it, applied to the federal government

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<sup>11</sup>GAI, M-397, UFA Annual Report and Year Book, 1919 (including Minutes of the Twelfth Annual Convention, 1920), p 61; UFA Annual Report and Year Book, 1921 (including Minutes of the Fourteenth Annual Convention, 1922), p. 95

<sup>12</sup>Christopher Armstrong and H V Nelles, "Competition vs. Convenience: Federal Administration of Bow River Waterpowers, 1906-13," in Henry C. Klassen, ed , The Canadian West: Social Change and Economic Development, (Calgary, 1977), pp 163-80, 214-219; Jack Sexton, Monenco; The First 75 Years, (Montreal, 1982), Chapters One and Three It is interesting to note that John Brownlee had articulated with the Calgary law firm of Lougheed and Bennett, whose senior partner, future prime minister R.B Bennett, was at different times Calgary Power's attorney, president, and one of its major shareholders However, there is no evidence to suggest this affected his dealings with the company and it is likely such personal ties were secondary to his own political conservatism in deciding government policy.

for permission to develop the Spray Lakes in Banff National Park. When Calgary Labour member Fred White urged the provincial government to apply for the license instead, Attorney-General John Brownlee refused anything so definite, but the legislature passed a resolution asking the federal government not to grant the rights over the Spray Lakes without the province's consent. The province then commissioned engineers from the Hydro-Electric Power Commission of Ontario to study the prospects for hydro-electric development in Alberta and to suggest "the most extensive and economical distribution of this power."<sup>13</sup>

The report submitted in 1924 by the HEPC's engineers concluded "that the power resources of the Province of Alberta should, in the main, be developed and operated as one single unit, whether this is done by private interests or through some agency of the Government itself" -- a conclusion not to the government's liking, since it was considering taking over only the Spray Lakes project. Already involved in a number of other unprofitable enterprises, the province now made public development of Spray Lakes dependent on demand by the major municipalities, though many of them already had their own power plants. Only the City of Calgary showed an interest in the project, but in April 1925 Premier Greenfield applied for a license to develop Spray Lakes on behalf of the province, claiming that "the power requirements of the Province, and particularly of the City of Calgary, make it essential that an immediate decision should be reached ..and, further, that certain development work should be undertaken without delay."<sup>14</sup>

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<sup>13</sup>Susan M Kooyman, "The Policies and Legislation of the United Farmers of Alberta Government, 1921-1935," pp. 75-76; Provincial Archives of Alberta (hereafter PAA), Sessional Papers of the Alberta Legislature, Acc. 70 414, Item 697, "Report on the development and distribution of Hydro Electric power in the province of Alberta by the Hydro-Electric Power Commission of Ontario," 1924, vol. I, p. 1.

<sup>14</sup>PAA, Acc 70.414, Item 697, "Report on the development and distribution of Hydro Electric power in the province of Alberta...", vol. I, pp. 21-22, PAA, Acc. 70.414, Item 741, "Statement respecting the Government's policy in regard to Spray Lakes," Sessional Paper No. 59, 1925; Alberta, Legislative Assembly, Sessional Papers, 1926, vol. 21, pt. 3, Sessional Paper No. 38, "Statement of Premier re: the Spray Lakes Project," pp. 46-48, and Sessional Paper No. 39, "Copy of Correspondence re the Spray Lakes Project," pp. 48-53.

The UFA government reserved, however, the right to decide whether to undertake a public venture which would supply Alberta's municipalities with hydro-electricity or subsequently to grant the rights to Calgary Power. The federal Minister of the Interior, Charles Stewart (previously the Liberal premier of Alberta), refused to grant the province the license unless it was for a public utility, announcing in late 1925 that he would deal only with the actual developer. But Brownlee, now premier, still refused to commit his government, in effect "[he] had changed the issue from one of private versus public development of water power to one of dominion versus provincial rights over resources."<sup>15</sup>

The UFA movement, meanwhile, seems to have been divided by the question. At the 1927 convention, a resolution questioned whether the project was even necessary, given the province's "vast deposits of readily available coal [and] tremendous resources of natural gas," and notwithstanding the "agitation" by the City of Calgary for development, "alleged to be based on the need to meet possible emergency requirements." It continued: "That if it be found necessary to develop this project it be absolutely under the management or control of the Provincial Government and not be handed over to private interests." The motion was first defeated when speakers suggested it opposed all hydro-electric development. It was reconsidered on a point of order and passed with only one dissenting vote after E.J. Garland, UFA Member of Parliament for Bow River, spoke in its favour. He said Calgary's needs and those of the surrounding towns could be satisfied by coal-burning plants and endorsed the resolution's call for investigation of coal and natural gas before undertaking a \$14,000,000 hydro-electric project. In 1928, on the other hand, the convention passed a resolution which diplomatically (and somewhat ambiguously) called for UFA members of the legislature and of parliament "earnestly [to] strive to bring about [a] co-operative scheme for the immediate starting of the development of the Spray Lakes project." The preamble maintained, "we must do something at

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<sup>15</sup>Susan M. Kooyman, "The Policies and Legislation of the United Farmers of Alberta Government, 1921-1935," pp. 76-77.

once to encourage industrial as well as agricultural development as nothing attracts manufacturing more than cheap power." The phrasing was so accomodating the chairman ruled a motion to refer the resolution to the provincial government unnecessary.<sup>16</sup>

The issue stumbled to a conclusion in the spring of 1928. In the throne speech debate, Liberal leader J.T. Shaw accused the UFA government of sitting idle while Calgary Power and International Utilities acquired franchises to supply power to municipalities throughout the province and declared, "that his objective in that matter would be to make power available to every farm home." Brownlee replied "it was premature to undertake a proposition like the Spray Lakes," though the province continued to press for a license. Nonetheless, at the end of the session the government introduced legislation to improve its position in case it opted for public ownership in the future: amendments to the Public Utilities Board Act specified that no municipal franchise agreement excluded future involvement by the provincial government and that all such agreements would require approval by the Board, in order to prevent unnecessary duplication of power lines by competing companies.<sup>17</sup>

By this point, however, Calgary Power had grown tired of waiting for a license for Spray Lakes, complicated by their location in a national park, and applied instead to develop the junction of the Bow and Ghost Rivers. Stewart announced he would grant it barring objections from the province and Brownlee again asked that the license be given to the province to dispose of as it saw fit. But in April Brownlee met in Ottawa with Stewart and Calgary Power's managing director, G.A. Gaherty and agreed that the utility should get the license for Ghost River, which could supply enough power for its needs over the next five years. The future of Spray Lakes was "left in abeyance." Since Brownlee had earlier told the legislature the Ghost

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<sup>16</sup>GAI, M-397, Minutes of the Nineteenth Annual Convention of the UFA, 1927, pp. 105-106; Calgary Herald, 22 January 1927; GAI, M-397, Minutes of the Twentieth Annual Convention, 1928, pp. 168-69.

<sup>17</sup>The Canadian Annual Review of Public Affairs, 1927-28, (Toronto, 1928), pp. 521-523; Calgary Herald, 21 March 1929.

River project would not be profitable if Spray Lakes went ahead, he was agreeing to the latter's cancellation, a development he attributed to the CPR's concern for the effects it would have "on the scenic attractions of Banff" -- though within the year the park's boundaries were revised to exclude the lakes. The agreement occasioned some protest by Calgary's boosters, but within two years the Depression had in any case forced drastic revisions to forecasts for the city's power needs and development of the Spray Lakes had to wait till 1952.<sup>18</sup>

Yet the agreement on Ghost River did not at all settle the question of whether electric utilities in Alberta should be privately or publicly controlled. At the end of the spring session in 1928 the UFA government had provided that the cabinet could spend up to \$100,000 each year over the next five years on research into the province's natural resources and their development and, thus equipped, the government proceeded to research any number of decisions without ever taking one. The government's continuing interest in hydro-electric development is understandable: the province had just managed to sell off its railway interests, eliminating one major drain on the budget, while a series of bumper crops between 1925 and 1928 buoyed the economy, allowing even the most fiscally conservative cabinet members to consider new government ventures. Brownlee also wanted more industrial development in Alberta at a time when Canada as a whole was experiencing an economic boom based on natural resources in which hydro-electricity powered the new smelters and pulp and paper mills at a very low cost.<sup>19</sup>

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<sup>18</sup>Susan M. Kooyman, "The Policies and Legislation of the United Farmers of Alberta Government, 1921-1935," p. 78, The Canadian Annual Review of Public Affairs, 1927-28, p. 281, for Brownlee's remark on Ghost River's profitability, see Calgary Herald, 21 March 1928, The Canadian Annual Review . . . , 1928-29, (Toronto, 1929), pp. 53, 267.

<sup>19</sup>Alberta, Statutes of the Province of Alberta, 1928, Chapter 44, "An Act respecting Research into the Natural Resources of the Province," p. 139; in the 1928 throne speech Brownlee proposed a conference with "representatives of industry" in order "to consider what means might be taken to encourage industrial development within the Province," The Canadian Annual Review . . . , 1927-28, p. 521, on the Canadian economic context, see John Herd Thompson with Allen Seager, Canada, 1922-1939: Decades of Discord, (Toronto, 1985), pp. 77-85.



Before 1928 the possibility of rural electrification hardly seems to have entered the debate on hydro-electric development in Alberta. The resolution which came out of the UFA's 1927 convention indicated a suspicion of Spray Lakes as an excessively expensive addition to urban luxury, while the 1928 resolution merely reflected the government's hopes for industrial development. But in the late 1920s, as electric power became an important political issue in a number of provinces whose governments considered public ownership, its rural applications began to receive consideration as well. In Quebec Charles Gagne, an economics instructor at the Ecole d'agriculture de Sainte-Anne-de-la-Pocatiere, began a series of articles on the advantages of rural electrification in the *L'Action catholique* in 1928. In the same year, in Manitoba, Premier Bracken justified his decision to allow private development of the Seven Sisters site on the Winnipeg River, saying it was "a question of being assured of cheap power for rural hydro users versus going on at present with no assurance either of power or of low rates." In Saskatchewan the 1928 report of the Power Resources Commission included a section on rural electrification, albeit short and extremely hesitant, while a conference on women's work in agriculture at the University of Saskatchewan resulted in a research committee charged with investigating labour-saving devices, including electric power.<sup>20</sup>

As well, judging by the census results, a number of Alberta farmers simply decided to acquire electric power themselves during this period. In 1929 Calgary Power reported only 200 farm customers to the Alberta government and even by 1946 there were only 1,391 Alberta farms receiving electricity from a central power plant. Yet in 1921 the census counted 1,160 farms reporting gas or electric light and 1,441 reported electric light in 1926, all undoubtedly running gasoline- or

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<sup>20</sup>Albert Rioux, *L'Electrification rurale du Québec*, p. 80; Bracken as cited in John Kendle, *John Bracken: A Political Biography*, (Toronto, 1979), p. 83; Lois Carol Volk, "The Social Effects of Rural Electrification in Saskatchewan," pp. 26-28 and see n. 38 below; Veronica Strong-Boag, "Pulling in Double Harness or Hauling a Double Load: Women, Work and Feminism on the Canadian Prairie," *Journal of Canadian Studies*, vol. 21 (1986), p. 37. In spite of Bracken's declaration, development of the Seven Sisters site did little to advance rural electrification in Manitoba.

battery-equipped windmill-driven electric plants. However, these machines were expensive (approximately \$400 each), time-consuming in care and operation, and, in the case of windmills, unreliable. While 2,786 farms reported gas or electric light in 1931, by contrast, 16,622 farms had the central telephone service which AGT brought to their door.<sup>21</sup>

At the beginning of July 1928 the UFA government received a second report on on power development. R B Baxter, deputy minister of telephones and general manager of AGT, concluded: "Cheaper power in itself would naturally bring about development and would greatly assist in building up the Province " But he warned that "[a] few poor crop years in succession...would naturally affect the financial situation of a project such as power development " The report included an analysis of rural development, based on a comparison of an area already served by Calgary Power with sample districts throughout the province. It calculated an average cost to reach each farm of \$565 00, but judged that few farmers could afford such a high initial expenditure, suggesting instead a guarantee of \$8 50 per month from each user to cover all costs, for a period of at least five years. However, power could only be taken into "sections of the country where people are well established and not too far apart," perhaps 500 farms every year in return for a capital outlay of \$300,000.<sup>22</sup>

Two weeks after submitting his report, Baxter met with Gaherty and Killam of Calgary Power to discuss the possibility of the province purchasing the company. Killam indicated he was not interested in selling, but that if the province insisted he would be prepared to enter negotiations and even agree to arbitration if no agreement could be reached on the price. At the same time, the company's representatives

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<sup>21</sup>Alberta, Legislative Assembly, Sessional Papers, 1931, vol 25, pt. 2, Report No. 26, "Eleventh Annual Report of the Research Council of Alberta, 1930," p. 75, Alberta, Alberta Power Commission, Annual Report, 1953, p. 10, Table 6; Canada, Census of Canada, 1931, Table 25, "Farm Facilities by Provinces, 1921-1931," p. lxviii, Census of Prairie Provinces, 1926, Table 48, "Number of Farms Reporting Farm Facilities, Prairie Provinces, 1926," p lxxxvii.

<sup>22</sup>PAA, Acc. 70.414, Item 974, "Power Information Report (July 5, 1928)," Sessional Paper No 44, 1929.

announced Calgary Power was prepared to develop power resources along the lines proposed by the government, at the speed proposed by the government, to inform the government fully of its water power investigations; to form an industrial development department to cooperate with the government, to review rates with the government "and make reductions wherever it was found to be reasonable" and agree to "reasonable regulation" by the government, including providing any information required. In addition, it "would be willing to work out with the government policy which would insure [sic] substantial rural development and would eliminate the present method of having farmers finance their lines." In short, Calgary Power offered to fulfill the government's every policy objective without the expense of public ownership. Baxter advised the government he believed it could meet its aims for power rates and development through either outright ownership or close regulation of the private monopolies.<sup>23</sup>

Yet still no decision was made. Instead, since Baxter's report had called for further study, the government directed its newly-created Research Council to cooperate with the Calgary Power and the United Farm Women of Alberta in a study of electric power use on the farm. Calgary Power was to supply the equipment and home appliances, the UFWA to choose the two farms to be studied and the Research Council would design the investigation and analyze the results. Though the project was supposed to compare a mixed farm (grain and dairy) in central Alberta with a wheat farm in the dry belt in the south, the farms compared were both in the south, next to the transmission lines along the Bow River. One was in the area near Brant already receiving service from Calgary Power and the other, interestingly enough, was in nearby Vulcan and belonged to O.L. McPherson, the UFA's Minister of Public Works. Though its cooperation may have been simple prudence, Calgary Power's involvement in the research seems to indicate at least a tacit understanding with the government that there would be no decisive action for the time being. Perhaps taking the hint, Baxter left the public

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<sup>23</sup>PAA, Premier's Papers, Acc. 69.289, file 461, "Discussion between Mr. Killam, Mr. Gaherty, and Mr. Baxter on Thursday, July 19, 1928."

service within the year to become managing director of Calgary Power for Alberta and Saskatchewan.<sup>24</sup>

But if the government had ruled out public ownership, no-one told the members of the UFA. In the summer of 1928 the movement's executive struck a committee to study electric power development, while its newspaper, The U F A., began publishing impassioned articles with titles such as "Why the Solution of the Power Problem Is Vitally Important to Farmers and Farm Women" (June 15, 1928) and "A Pressing Danger and a Great Opportunity: The Urgency of Public Ownership of Hydro-Electric Power Resources" (October 15, 1928). In December and January 1929 an electrical engineer who chose to remain anonymous contributed two long articles, outlining the uses to which Alberta farmers could put electric power, including ploughing, harvesting, and threshing, as well as the use of electric ranges, refrigerators, and washing machines in the home. He wrote: "...Farmers, more than any other class, are concerned vitally in the proper solution of this problem, because, as previously stated, they are 'small consumers' in comparison with the manufacturing industries, and as such can rightly be given special consideration by a public enterprise that no private corporation would give."<sup>25</sup>

The question of public ownership of Alberta's electric utilities dominated the UFA's 1929 convention, held in Calgary between the 15th and 18th of January. Eight separate resolutions on the subject were submitted and the convention heard two reports on power development. The topic also came up at other times, as in the address to the convention by S.M. Gunn, president of the United Farm Women of Alberta:

...Not until luxury for the few is balanced by comfort for the many, will the farm women of Alberta "view with satisfaction" present economic conditions. [...]...Theirs is no slave philosophy

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<sup>24</sup>PAA, Acc. 69.289, file 461, Allan E. Cameron to John E. Brownlee, 13 June 1928; GAI, M-397, UFA Annual Report and Yearbook, 1928, "Report of the U.F.W.A. Executive - 1928," p. 48; information on Baxter from the Edmonton Bulletin, 1 March 1929

<sup>25</sup>Citations from An Electrical Engineer (sic), "Alberta Farmers and Electrical Power," The U F A., 1 December 1928, pp. 8-9; see also his "The Use of Electricity in Power Farming," Ibid., 15 January 1929, pp. 10-11. In the first he describes tractors, in the second tractor ploughs, both in use in Europe, connected by trailer cables to a main electric supply.

content to submit to a scheme of things wherein they find themselves in an age of tremendous mechanization unable to afford any but the most primitive tools to carry on their daily routine to be in truth for much of their days veritable hewers of wood and drawers of water -- particularly the carrying of water. What a gigantic waste of woman power that year after year on so many farms, thousands of gallons of water are carried in and waste is carried out by hand! Is it any wonder then, that when the subject of electrical distribution of power for rural homes was first broached this summer that the response on the part of farm people was a spontaneous enthusiasm possibly equalled by no other project. .. If electrical power could be transmitted to rural areas at cost there is to my mind no one thing that would so quickly revolutionize farm homes. To think of electricity for lighting, for washing, for ironing, electrical refrigeration, vacuum cleaning, sewing machines, to name just a few of the unsatisfactory back-breaking jobs whose drudgery would be eliminated, indicates some of the first installations that probably would be made under a Provincial scheme of power distribution at cost [...] The question of the ownership and control of this utility will loom large in our minds in the immediate future <sup>26</sup>

On the last day of the convention the delegates considered a resolution from East Calgary, recommended by the resolutions committee, which called for "the development of the electrical power resources of Alberta as rapidly as practicable under Provincial ownership and control." R.G. Reid, the Provincial Treasurer, intervened in the debate to answer questions and give the government's position: he warned that without subsidies public power could supply electricity to farm homes at a rate only fractionally lower than private companies and he did not approve of such a subsidy, though he promised the government would conduct further investigations.

The tone of the debate quickly exceeded Reid's cautiousness. The report of the UFA and UFWA Board's committee on power was presented by H.B. MacLeod who introduced it by saying: "The whole thing in a nutshell is that, as you will see, electrical power for rural use under public ownership is obtainable for about one-third the cost of power where it is generated and distributed by privately owned plants." UFA

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<sup>26</sup>GAI, M-397, Reports and Addresses delivered to the 15th Annual convention, U.F.W.A., 1920, "U.F.W.A. President's Address to the U.F.A. Annual Convention - 1929," p. 4.

Member of Parliament William Irvine resumed debate with a barely-concealed attack on the provincial government

We not only want belief in public ownership. We want action. [...] I am not blaming the Government, or even criticising them I am blaming ourselves: some of you have expressed a pious wish, but what we need is speed.

He asked for an amendment to the resolution calling for speed on the government's part. Delegates obliged by replacing the resolution under debate with one from the Camrose local asking "that the Provincial Government be urged to take certain and determined action towards the development of Hydro-Electric power with as little delay as possible " After further discussion this resolution was passed unanimously.<sup>27</sup>

Characteristically, the UFA government did not feel at all bound by the convention's decision. In March 1929 the opposition presented a resolution in the legislature which would have required the government to declare itself once and for all in favour of either public or private ownership in the development of power resources. On behalf of the government, O.L. McPherson amended the resolution to endorse "the enquiry already undertaken, Believing that the right of the province to take over the development and distribution of power as a public utility should be safeguarded as far as possible." McPherson said that "as one from the farming district of Alberta he realized the great need for power development," but that the government should not commit itself "too quickly" and should continue to "secure full data."<sup>28</sup>

Brownlee, in a speech during the debate, said the government had hesitated to develop power resources because confidence in public ownership had been shaken by the unprofitable experience with the railways and telephones, while it seemed doubtful the province had the power to expropriate federal water licenses, meaning the cost of a

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<sup>27</sup>This description of the debate is largely drawn from "'Certain and Determined Action' in Development of Provincially Owned Power Scheme Urged by Convention" and "Power Committee of U F A. Presents Strong Case for Public Ownership," The U.F.A., 1 February 1929, quote from Irvine composed from the first of these articles and the Calgary Herald, 18 January 1929; text of the Camrose resolution is from GAI, M-397, Minutes of the Twenty-First Annual Convention of the UFA, 1929, pp 40-41

<sup>28</sup>Edmonton Journal, 9 March 1929.

takeover would be determined by an arbitrated price. While he expressed a preference for public ownership, Brownlee did not view the situation as urgent since "adequate control of development" could prevent "excessive profits" and it did not seem that a publicly-owned utility "could give substantially lower rates for some years to come than [a] private company." As well, Alberta's rural settlement was "so scant" he thought it doubtful whether "there can be any substantial rural distribution of power for some years " In the notes for his speech, the section giving reasons for delaying public ownership concluded: "EMPHASIZE - Greatest danger in present situation is in encouraging our rural population - that if Government take [sic] over development there would be widespread rural distribution. Estimate only about 500 farmers per year could be added for some years to come."<sup>29</sup>

While the government held to its cautious investigations, the movement pressed for public ownership. Through 1929 The U.F.A. and its readers continued to propagandize for public power in letters, articles and editorials <sup>30</sup> The 1930 convention received nine resolutions on power development, eight of them urging public ownership. It unanimously approved a resolution which asked that the provincial government develop the natural resources whose control it was about to acquire from Ottawa, "in accordance with the principles of public ownership. " A resolution which urged the government "to take immediate action to develop and distribute electric power as a public utility" was also passed, but one which commended the government on its present

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<sup>29</sup>PAA, Acc. 69.289, file 461, "POWER J.E. BROWNLEE". This text is undated but, judging by its contents, constitutes notes for Brownlee's speech to the legislature on March 12, 1929.

<sup>30</sup>Letters in The U.F.A. include: James Fletcher, "Electrical Power," 1 April 1929, A. Lunan, "The People's Heritage," 15 April 1929; G L. Pritchard, "Power on the Farm," 15 June 1929. Articles: Arthur J. Cantin, "What Cheap Hydro-Electric Power Would Mean to Alberta," 15 June 1929. Lee Vincent, "The Need for Vision in Power Matters," 16 September 1929. Editorials: "A Decision of Continental Importance," 8 February 1929. "Why Not 'Go Slow'?", 15 April 1929.

policy and asked it to develop electric power "when...the time seems favourable" was defeated.<sup>31</sup>

Optimism about the benefits of electric power abounded during this period: in July 1930 the City of Edmonton's power company was connected to Calgary Power's Ghost River hydro-power plant and the Edmonton Bulletin celebrated with a special 20-page "Power Development" supplement. Filled with articles on the wonders of electric power, many of them supplied by Calgary Power's publicity department, the Bulletin's supplement announced.

Indications are that progress in rural electrification will be rapid in western Canada. Electric power lines are spreading out from Winnipeg, Regina, Calgary and Edmonton particularly. These will not only supply the smaller towns with electric light and power, but will bring the boon of electricity to many farms along the way.<sup>32</sup>

In truth, of course, only a handful of farms were or could ever be connected to the lines linking the cities and the towns, usually receiving power in lieu of payment by the utilities for crossing their land.

In the debate on the Throne Speech in February 1930, which announced the government's intention to deal with power development, A.L. Sanders, UFA MLA for Stettler, expressed the contrast between the farm population's expectations and the government's understanding of the situation. He described a speech he had heard two years before by "a prominent individual who apparently had given great thought to the subject": "The speaker described the future farm home in this Province, if the Government were only in control of power, in glowing colors, - Electric light, electric driven washing machines, electric toasters, and so on." Sanders claimed even Ontario Hydro's minimum for supplying rural customers was five farms per mile, while the most thickly settled rural portion of Alberta had an average of less than two per mile; assuming only half of all farmers would take electric power, he projected an average of only one user per mile. "How would it be possible under those conditions to supply all the farm homes in the

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<sup>31</sup>GAI, M-397, Minutes of the Twenty-Second Annual Convention of the UFA, 1930, p. 101.

<sup>32</sup>Edmonton Bulletin, 31 July 1930.



Province, as so many are fond of saying, if the Government would only take over power control," Sanders asked. "May I say that I am personally in favor of Government ownership and operation of power, but we should clearly understand what we are talking of, and not build up hopes in the minds of the people which can never be fulfilled, no matter whether the Province or private interests control power distribution."<sup>33</sup>

Part of the difference in views regarding power development between UFA members and UFA legislators and cabinet ministers may have stemmed from a simple difference in life experience. It is not within the scope of this thesis to establish the domestic arrangements of the entire UFA caucus, but a few are worth noting in passing: the two most important members of the cabinet, Premier Brownlee and Attorney-General J.F. Lymburn, lived in Edmonton where they had previously worked as lawyers; O.L. McPherson, Minister of Public Works, had electricity supplied to his farm by the Research Council, as noted earlier; Irene Parlby, minister without portfolio, had had electric lighting and running water in her house at Alix since it was built in 1921, even Sanders, the MLA from Stettler, admitted in his speech to having "an electric plant," which would have been either gasoline-driven or a battery-equipped windmill.<sup>34</sup>

Still the government inched closer to public ownership. On March 18, 1930, Fred White, leader of the Labour caucus, proposed a resolution endorsing the principle of public ownership and control of power development and distribution and calling on the government to "immediately consider the introduction of a Bill bringing such principles into operation." Premier Brownlee amended the latter part to resolve that the principle of public ownership "should be fully safeguarded, so as to facilitate the Government undertaking the whole or

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<sup>33</sup>GAI, Norman F. Priestley Papers, M 1003, file 8, "A.L. Sanders Spe fr. Th. Feb. 1930," text titled "POWER"

<sup>34</sup>Brownlee represented the Ponoka riding but never lived there, while Lymburn was the only UFA candidate ever to contest a purely urban riding, Edmonton, regarding Parlby's house, which the family -- in keeping with its best English country gentry style -- called Manadon, see Barbara Villy Cormack, Perennials and Politics; The Life Story of Hon Irene Parlby, LL.D., (Sherwood Park, [1968?]), p. 84.

such part of power development and distribution as the Government from time to time, with the advice of its technical experts, may consider economically expedient." He explained that he could not agree with the word "immediately" in the original resolution

Both [a steam engineer and a hydro expert consulted by the government during the previous year] had confirmed the Premier in the belief that power development in Alberta must be a monopoly, whether private or public. He counselled patience. Many problems had been solved and much progress made. The Government were [sic] prepared to face this one also. It would be the next big government activity, if, as he expected, they were returned for another five years.<sup>35</sup>

Two months later the UFA government went to the polls and was re-elected, having campaigned on its record, in particular the acquisition of control over natural resources by the province. In its election program the government excused itself for its previous inaction in power development by pointing out that the federal government had controlled hydro-electric resources. Now it promised "to control this development in the interests of our people, with policies framed to lead to the full acquisition of all Power development as a public utility, as soon as consistent with the financial condition of the Province."<sup>36</sup>

There is some evidence that this election promise was sincere, though at the very same time Brownlee was considering selling off Alberta Government Telephones. An undated memorandum in the Premier's papers (probably from 1929 or 1930) outlined the advantages and disadvantages of two different proposals for taking over power companies. The first was: "Take over Calgary Power Co [,] City of Edmonton plant and Midwest Utilities Co., and operate as the Alberta Power System." The second. "To take over Edmonton Steam Plant and to develop Northern section around it as a base." In either case the agency responsible would be an Alberta Power Commission, modelled on

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<sup>35</sup>"Principle of Public Ownership and Control of Power Is Almost Unanimously Endorsed," The U.F.A., 1 April 1930.

<sup>36</sup>Election program contained in "Supplement," The U.F.A., 2 June 1930.

that in Ontario, operating both as a business enterprise and with regulatory powers.<sup>37</sup>

But within months of its re-election, the UFA government was faced with the most disastrous "financial condition" the province had ever known far from undertaking new public ventures it began to reduce expenditures. As well, at the end of 1930 Professor H.J. MacLeod of the University of Alberta's Department of Electrical Engineering finally submitted a report on electricity on the farm on behalf of the Research Council. Based on the two test farms chosen and records for Calgary Power's 200 farm customers, MacLeod concluded that the low average electric use per farm "scarcely justifies the installation," as it usually consisted of "a lighting load with perhaps an electric washer, iron and toaster." He also found Calgary Power's charge of \$550 per mile for the special line to the farmer and extra monthly service charge, "justifiable from the Company's point of view." MacLeod recommended further study of windmills equipped with storage batteries, which he believed could supply most farms with the "relatively small amounts of power [they] required." Though plans were made to install recording instruments on an existing windmill and obtain reliable information for use in Alberta, no research was ever carried out.<sup>38</sup>

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<sup>37</sup>Susan M. Kooyman, "The Policies and Legislation of the United Farmers of Alberta Government, 1921-1935," p. 112; PAA, Acc. 69.289, file 461, "ALBERTA POWER SCHEME". The probable date for this memo of 1929 or 1930 is based on the other contents of the file and on its comparison of hydro and steam power, a matter on which the government commissioned studies during the period, according to Brownlee's speech in the legislature, March 18, 1930; The U.F.A., 1 April 1930

<sup>38</sup>Alberta, Legislative Assembly, Sessional Papers, 1931, vol. 25, pt 2, Report No. 26, "Eleventh Annual Report of the Research Council of Alberta, 1930," pp 75-76; University of Alberta Archives, Research Council of Alberta Records, MG 80, file 1/2/3-1, "Programme and Estimates, 1931-32," and file 1/2/3-2, "Electricity on the Farm," 1931. If advocates of public power in the UFA knew of MacLeod's report for the Research Council, they gave no evidence of it. A study conducted in 1927 for the Saskatchewan Power Resources Commission by provincial civil servants similarly concluded that farm customers by themselves did not warrant the high fixed costs of transmission line construction, but suggested lines to large urban centres could be adapted to serve farms and villages; Lois Carol Volk, "The Social Effects of Rural Electrification in Saskatchewan," p. 27.

While it is difficult to trace Calgary Power's immediate evaluation of the project, in a text published in 1952 the company described the experiment as "a failure" and blamed the farmers for it. It said accusations that the costs were too high were false (claiming construction costs charged were less than \$100) and concluded instead that "farmers were not ready to accept the benefits of electric service because they did not realize how electric service could increase farm production " On the general question of rural service before the World War II, Canadian Utilities later adopted a similar interpretation:

Concentrated efforts were made to have the numerous farmers along these lines [built in 1928 and 1929] take advantage of the Central Power then available to them for the first time at rates comparable with urban rates then in force with most discouraging results. From Drumheller to Hanna, with about 40 miles of pole line only, three farmers would be induced to take service [ ] The simple fact is that [prior the war] our farmers were not yet electrically minded and despite concentrated efforts to change this view, little or nothing could be accomplished in this direction <sup>39</sup>

But the Farmers' Union of Alberta -- to whose statement in favour of public ownership Canadian Utilities had been replying -- declared "We have never forgotten the years before the war when the Power Companies operating in Alberta were so completely indifferent to the farmers [sic] needs that they virtually refused to connect up to the farms along their lines (except at rates which farmers could not afford to pay) completely disregarding the moral obligation inherent in their position of virtual monopoly of the Alberta field " Moreover, had farmers had the leisure to study government statistics closely during the depression, they would have discovered that electric power was the only industry in Alberta whose net value of production was higher in 1935 than in 1929, growing from \$4.4 million to \$4.6 million, while agriculture slumped from \$128 3

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<sup>39</sup>Calgary Power's views as expressed by its director of public relations, W E Ross, in "Alberta's Experience With Rural Co-Operatives," Electrical Digest, vol. 21 (1952), pp. 62-63, PAA, Department of Utilities and Telecommunications Collection, Alberta Power Commission Records, Acc. 83 333, Box 3, Canadian Utilities, "Analysis of F.U.A. Memorandum Supporting its Policy of Government Ownership & Operation of Generation & Distribution of Electrical Energy in Alberta."

million to \$97.4 million and production as whole dropped from \$237.5 million to \$153.3 million.<sup>40</sup>

As the depression deepened, the differences between the UFA government and the movement widened. While the government retreated into fiscal conservatism -- trying vainly to balance the budget -- the movement adopted a platform calling for much more government intervention and collectivism, viewing the depression as "a phase of the disintegration of competitive civilization" on the way to the co-operative commonwealth. At its 1931 convention the UFA passed resolutions, one after the other, which reaffirmed its position in favour of public ownership of utilities, and which advocated public ownership of land along with all other natural resources. At the 1932 convention delegates received a report from a Board committee on power and unanimously adopted its conclusion. "We wish again to affirm, with all the emphasis that can be conveyed, that there should be no further alienation to private interest of the priceless heritage of the people of Alberta, and that as soon as possible such power resources as are now in the hands of private interests be recovered therefrom, to be owned and operated in the interests of the people of this Province."<sup>41</sup>

Yet in 1931 the government renewed Calgary Power's right to operate its Kananaskis and Horsehoe Falls plants and in 1932 it granted the company the right to develop water power on the Kananaskis River. Labour leader Fred White proposed a plan for public ownership of land and natural resources in the legislature in February 1932, but in a narrow vote which split both the UFA caucus and the cabinet, the assembly refused to send it to committee for further study -- then

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<sup>40</sup>PAA, Acc. 83 333, Box 3, Farmers' Union of Alberta, "Electric Power Situation; Statement of reasons for asking development under Public Power Commission," 1950, Eric J. Hanson, "A Financial History of Alberta, 1905-1950," Table 74, "Net Value of Production of Industries in Alberta, 1929-1935," p. 300

<sup>41</sup>Characterization of the depression from GAI, M-397, "Manifesto to the Farm People of Alberta, Memorandum from Board of the U.F.A. with Amendments Passed by the Annual Convention, January, 1931," attached to Minutes of the Twenty Third Annual Convention of the UFA, 1931, resolutions from the Minutes, p. 160, Minutes of the Twenty-Fourth Annual Convention of the UFA, 1932, pp. 233-34, Report of the U.F.A. Board of Directors for 1931, "Report of the Committee on Power," p. 14.

overwhelmingly defeated the motion on the grounds that such sweeping measures could not be agreed to without close study.<sup>42</sup>

The concrete example of rural telephone service, the responsibility of the only provincially-owned public utility, Alberta Government Telephones, demonstrates the chasm separating the UFA's desires expressed at convention and the government's policies. At every UFA convention between 1930 and 1932 resolutions were adopted demanding lower rural telephone rates, but the government steadfastly refused to countenance the implicit cross-subsidization by urban customers. Instead, as the depression deepened, thousands of rural phone lines were disconnected, the government cancelled extension programs and in 1932 the system recorded a deficit of \$515,281.<sup>46</sup> This financial problem was an expression of a real social crisis. A social scientist described the situation in 1931 for a Saskatchewan farm community

Consider a farmer's financial straits when for \$10.50 a year he will do without a telephone. Perhaps he is 10 or 15 miles from town, perhaps a mile from his nearest neighbor, yet for the sake of that paltry sum, he will face the hazards, the isolation, the social inconvenience of doing without his telephone. I think this more than anything else shows our western financial position.

In 1933 the telephone department itself described the rural system as "...close to the end of its useful life" in many areas it was almost without customers and where they remained the lines were in urgent need of replacement or repair.<sup>43</sup>

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<sup>42</sup>Susan M. Kooyman, "The Policies and Legislation of the United Farmers of Alberta Government, 1921-1935," p. 81; Carl F. Betke, "The United Farmers of Alberta, 1921-1935: The Relationship between the Agricultural Organization and the Government," (M.A. thesis, University of Alberta, 1971), pp. 138-39.

<sup>43</sup>Alberta Government Telephones report for the year ending March 31, 1933, in PAA, Acc. 69-289, file 399B, cited in Susan M. Kooyman, "The Policies and Legislation of the United Farmers of Alberta Government, 1921-1935," p. 113, and on rural telephone service in the depression generally, pp. 112-115, citation on conditions in Saskatchewan from Gertrude S. Telford, "Livingstone: A Social Survey," (M.A. thesis, McMaster University, 1931), p. 34, cited in S. M. Lipset, Agrarian Socialism: The Cooperative Commonwealth Federation in Saskatchewan, A Study in Political Sociology, (Berkeley, 1968, revised), p. 127.

But far from committing new funds to a public utility of such obvious social benefit, the government abandoned the rural telephone system: in 1933 it accepted the recommendations of a consulting engineer to sell the rural lines "at scrap value" to small, non-profit rural companies, "which could operate the service at whatever standards they decided upon." J.D. Baker, the deputy minister of telephones, announced: "If the farmer declines to organize, he must do without telephone service for rural lines of the A G T. must then be removed for lack of support and it is certain no private corporation will ever enter a field which has proved so unprofitable " The UFA's radical convention rhetoric vanished in face of the government's decision. A report on telephones to the 1934 convention actually stated: "It is gratifying to note that the Government is endeavoring to assist the rural people to retain their phones by allowing them to take over their lines and operate them on a mutual basis." A resolution passed by the delegates politely asked the Department of Telephones to consider leasing rural lines to groups of farmers, instead of selling them outright, but without effect. More than 700 mutual telephone companies were set up during the thirties, sometimes buying their portion of the rural system for less than a tenth of what it had cost, and they permitted what remained of Alberta Government Telephones to finish the decade with a surplus.<sup>44</sup>

Nonetheless, in preparation for its participation in the founding of the Co-operative Commonwealth Federation, in 1933 the UFA's convention adopted a "Declaration of Ultimate Objectives" which advocated "public ownership and socialization of all natural resources, industrial and distributive equipment essential to the welfare of society." The UFA Central Board extended this and included both power

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<sup>44</sup>Eric J. Hanson, "A Financial History of Alberta, 1905-1950," pp. 324-26; announcement by J D. Baker in PAA, Acc. 69.289, file 399B, cited in Susan M. Kooyman, "The Policies and Legislation of the United Farmers of Alberta Government, 1921-1935," p. 114; GAI, M-397, Reports of U.F.A. Board of Directors and Committees to U.F.A Convention; Edmonton, January Sixteenth, 1934, "Report on Telephones," p 16; GAI, M-397, Minutes of the Twenty-Sixth Annual Convention of the UFA, 1934, p 104

plants and telephone facilities in a long list of natural resources and utilities whose socialization "would be imperative." After the CCF's founding convention decided to drop public ownership of land from its manifesto, however, the UFA followed suit and as the provincial election approached, the movement and the government attempted to reconcile their differences. At the 1935 convention the UFA adopted a Provincial Program for the election whose position on public ownership was, in Carl Betke's words, "a compromise. which contained C C F rhetoric largely nullified by counter-principles and limiting conditions."

(1) We endorse the principle of public ownership of all utilities used in common and natural resources which are in the nature of monopolies. These should be brought under public ownership and control. We also endorse the principle of private ownership of property in individual use. Recognizing the limited powers of the Province with respect to public ownership, we pledge ourselves to co-operation with the Dominion Government with a view to the most rapid progress towards these ends.

(2) We stand for the retention for the people of Alberta of all unalienated land and land which may revert to the crown, such land to be settled on the basis of long term leases for actual use only.

In any case, when the election was called eight months later, the voters of Alberta preferred the clear promises of free dividends, fair prices and easier credit from Social Credit to the ambiguities of radical principles adopted by the UFA's conventions and conservative measures implemented by the government.<sup>45</sup>

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One might conclude from the UFA government's crushing defeat, the decline of the movement and its withdrawal from the CCF, and the fact that the Social Credit platform rejected public ownership and ignored the question of rural electrification,<sup>46</sup> that the long and fruitless

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<sup>45</sup>Carl F. Betke, "The United Farmers of Alberta, 1921-1935," pp 186-87, 147-48, GAI, M-397, "Provincial Program of the United Farmers of Alberta, As Finally Adopted by the Annual Convention Held in Calgary, January 15th to 18th Inclusive, 1935 "

<sup>46</sup>In William Aberhart's Social Credit Manual, Social Credit as applied to the Province of Alberta, Troubling Questions and Their Answers, (Montreal, 1935), on p 21, to the question, "Does Social Credit involve socialization, nationalization, confiscation or expropriation?" the answer is "No". In an interview with the author, 29



campaign for public power was the enterprise of a few farm ideologues, without popular support.

But the UFA's more radical positions of the early 1930s reached a wide audience and were relatively successful for a time. "membership increased from thirteen thousand to seventeen thousand between 1929 and 1931, the years when the radicals consolidated their hold" and in 1932 Chester Ronning, a left-winger, was able to win handily in the only purely rural by-election of the UFA's last term. In 1935 The U.F.A., which published so many articles on rural electrification and public power, was still described by a political commentator as "a respected weekly religiously read by 20,000 Alberta rural homes."<sup>47</sup> By then, however, these policies were not simply eclipsed by the rise of Social Credit, they had been rendered irrelevant by a government which refused to implement them and chose to campaign on its record, leaving the measures advocated in the Regina Manifesto to the broader powers of federal jurisdiction.

Moreover, with the interventionist State, publicly-supported rural electrification was an idea whose time had come in North America, even if in Alberta the UFA government's time had come and gone. While actual programs were only implemented on a large scale in parts of the United States, rural electrification was a proposal common to the decade's major reform movements across the continent. The CCF included it in the Regina Manifesto in its "Emergency Programme" which had "the double purpose of creating employment and meeting recognized social needs." In the United States, Roosevelt's New Deal included a successful rural

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August 1986, the Hon Ernest Manning said rural electrification was not an issue which came up during the early days of the Social Credit movement.

<sup>47</sup>Alvin Finkel, "Obscure Origins: The Confused Early History of the Alberta CCF," in J. William Brennan, ed., "Building the Co-operative Commonwealth": Essays on the Democratic Socialist Tradition in Canada, (Regina, 1984), p. 102; Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), p. 176; Syd Mathews, "Alberta bids -- what," Maclean's Magazine, vol. 48, (1 April 1935), pp. 18, 42, cited in Hugh J. Whalen, "The Distinctive Legislation of the Government of Alberta (1935-1950)," (M.A. thesis, University of Alberta, 1951), p. 39. During the same term the UFA narrowly lost a by-election in Red Deer and Labor lost narrowly twice in Calgary and by a wide margin in Edmonton.

electrification program, as described above. Even in Quebec, the reformist Action Liberale Nationale proposed progressive rural electrification, modelled on Ontario's program, both as an economic reform and as a part of rural rehabilitation. After the ALN's merger with the Conservatives in the Union Nationale and their election in 1936, it was Premier Duplessis's refusal to consider the nationalization of the Beauharnois Light and Power Company that led the radicals in the caucus to leave the government <sup>48</sup>

Deemed unprofitable by private power monopolies and largely ignored by conservative political parties and governments, rural electrification became completely identified with public power. In the crisis conditions of the 1930s it was not a measure of the highest urgency for prairie farmers, compared to such issues as commodity prices and relief payments, but rural electrification offered to farmers the possibility of so dramatic a change in living conditions that it was guaranteed a return to the political agenda. As living standards rose in the 1940s, expectations rose with them, and the demands of the farm community were to force a consideration of electrification as part of rural post-war reconstruction.

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<sup>48</sup>David Lewis and Frank Scott, Make This Your Canada: A Review of C.C.F. History and Policy, (Toronto, 1943), Appendix A, "Regina Manifesto, Adopted at First National Convention Held at Regina, Sask., July, 1933," p. 206-207; Herbert F. Quinn, The Union Nationale: Quebec Nationalism from Duplessis to Levesque, (Toronto, 1979, rev. ed.), Appendix B, "Programme de l'Action Liberale Nationale, 1934," p. 297, and on the fate of the radicals in the Union Nationale, pp. 75-76.

## CHAPTER THREE

SOCIAL CREDIT DECIDES: THE POWER COMPANIES,  
THE POWER COMMISSION AND THE PLEBISCITE OF 1948

For prairie farms in the 1940s and 1950s electricity was primarily a domestic utility. In spite of the boundless optimism for the possibilities of electric power in earlier decades and the over 325 uses for electricity on the farm identified by the Rural Electrification Administration in the United States, it was much more of an aid to living standards than production levels. In the summer of 1942 a survey of all Manitoba farms receiving central station electric power found that out of 1,109 farms reporting, 403 had an electric motor (usually used for pumping) but 990 had an iron, 986 a radio, and 828 a washer--even the simple toaster, owned by 577 of them, was more popular than any electric farm equipment.<sup>1</sup>

The reasons for this are not hard to find. prairie agriculture was then and has remained more extensive than intensive. The 1942 Manitoba Electrification Enquiry Commission pointed out that, "if other conditions such as climate, geography, freight rates, and market

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<sup>1</sup>Manitoba Electrification Enquiry Commission, A Farm Electrification Programme, (Winnipeg, 1942), pp. 29, 156, 157. Slightly different results were given in statistics compiled by Calgary Power for the 2,000 farms it electrified between 1944 and 1949: the most popular farm equipment was the electric engine (1/2 horsepower engines were owned by 46 and 1/4 horsepower engines by 27 per cent, while larger engines, from 3/4 to 3 horsepower, were owned by 42.5 per cent), electric milking machines and chick brooders were each owned by only 8 per cent. By contrast, 91 per cent of farm homes surveyed owned irons, 87 per cent owned floor or table lamps, 69 per cent owned radios, 68 per cent owned washing machines, and 64 per cent owned water pumps; Provincial Archives of Alberta (hereafter, PAA), Department of Utilities and Telecommunications Collection, Alberta Power Commission records, Acc 83 333, Box 1, The Country Guide Merchandising and Research Division, "Rural Electrification in Manitoba, Saskatchewan and Alberta, The Results of a Survey Conducted Midsummer of 1950," Table 5 "Percentage of farms using various appliances," p. 16. Even the popularity of electric motors immediately after electrification may be deceptive, however, since they could replace gasoline engines in driving both farm and domestic appliances, such as either washing or milking machines, eliminating the need for new purchases.

conditions are reasonably propitious, electric power may constitute that extra stimulus which will encourage greater and more rapid diversification," but reported that among both Manitoba farm leaders and American experts, "the consensus of opinion was that in areas of monoculture where no tendency toward diversification was visible" electric power alone would not make the difference.<sup>2</sup>

The intensive forms of agriculture which could have used large amounts of electricity, such as dairy, poultry, or egg production represented a mere 10.7 per cent of total farm cash income in Alberta in 1946, 10.3 per cent in 1951 and still only 13.1 per cent in 1956. In Saskatchewan, in spite of rural electrification the market for electric milking machines was soon saturated: sales declined steadily after the war, from 294 in 1946 and 161 in 1949, to a mere 47 in 1953 (based on data from six major implement manufacturers). By contrast, the machinery whose number increased exponentially and revolutionized prairie agriculture -- allowing it to replace the enormous amount of human labour lost to the war effort and the post-war boom -- were gasoline-driven tractors, combines and haying equipment, easily adapted to large-scale grain and livestock farming and dependent only on adequate supply and financing, not expensive infrastructure.<sup>3</sup>

Thus post-war rural electrification was above all a program for improving the material conditions of farmers' lives, in spite of frequent references to its productive possibilities. It should be noted, moreover, that this was entirely consistent with the role chosen by both levels of government in the post-war economy. In Canada the State retreated from intervention in production, but invested massively in all forms of social capital. Outside of agriculture, where it actively sponsored marketing boards and maintained the Wheat Board's

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<sup>2</sup>Manitoba Electrification Enquiry Commission, A Farm Electrification Programme, pp. 41-42

<sup>3</sup>Alberta, Department of Agriculture, A Historical Series of Agricultural Statistics for Alberta, (Edmonton, [1967?]), pp. 112-113, 136-37; Saskatchewan, Royal Commission Agriculture and Rural Life, Report No. 2; Mechanization and Farm Costs, (Regina, 1955), p. 32, Ian MacPherson and John Herd Thompson, "An Orderly Reconstruction: Prairie Agriculture in World War Two," Canadian Papers in Rural History, vol. 4 (1984), pp. 22-24

wartime monopoly, direct economic intervention ended with the war economy and was replaced by the welfare state. While government was removed from the list of investors, it placed its signature on the cheques which paid the social wage, a growing supplement to incomes and living conditions which took a variety of forms. In fact, agriculture can be seen as the exception which proves the rule of government's post-war retreat from production, providing an important service to private capital outside of the grain trade. Maintaining the Wheat Board's monopoly allowed cheap breadstuffs for the domestic labour force and, perhaps more importantly, allowed Canada to negotiate international bulk trading agreements which offset the foreign exchange shortage of the late 1940s and the deficit in merchandise trade in the mid-1950s.<sup>4</sup>

In his letter creating the Manitoba Electrification Enquiry Commission, Premier John Bracken revealed his fundamental concern when he referred to electricity as "a service which will not only make [farms] more productive by providing facilities for the diversification of agriculture, but will lessen the physical drudgery now borne by farm women and make farm life more attractive to young people."<sup>5</sup> In this respect rural electrification was not entirely removed from questions of production nor those of labour in particular. While providing electricity to the farms fit the general pattern of government policy in the late 1940s, it also responded to changes in the structure of prairie farming. For the purposes of strictly agricultural production, much of the labour force lost to industry in the urban areas was successfully replaced by new machinery. But in the long term, independent commodity production could not survive a radical disadvantage compared to urban

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<sup>4</sup>Paul Phillips and Stephen Watson, "From Mobilization to Continentalism: The Canadian Economy in the Post-War Period," in Michael S. Cross and Gregory S. Kealey, eds., Modern Canada, 1930-1980's, (Toronto, 1984), p. 30, on the Wheat Board, see Vernon C. Fowke, The National Policy and the Wheat Economy, (Toronto, 1957), pp. 276-78, on foreign trade, see David A. Wolfe, "The Rise and Demise of the Keynesian Era in Canada: Economic Policy, 1930-1982," in Michael S. Cross and Gregory S. Kealey, eds., Modern Canada, 1930-1980's, pp. 56-60.

<sup>5</sup>John Bracken to Dr. Emerson P. Schmidt, 11 June 1942, cited in Manitoba Electrification Enquiry Commission, A Farm Electrification Programme, p. v.

living standards if possibilities for urban employment continued to be bright. Table V indicates the extent of the disadvantage suffered by farm homes. Short of increases in commodity prices (and thus in income) so dramatic farmers could overcome this disadvantage through individual purchases, the State had to intervene and ensure that domestic life on the farm maintained some attraction compared to city life

TABLE V  
HOUSEHOLD CONVENIENCES IN URBAN AND RURAL AREAS OF ALBERTA

	150 farms in west central Alberta 1947	City of Edmonton 1946
Convenience	%	%
Radio	95	90
Auto (passenger)	79	27
Telephone	63	47
Central heating	36	74
Electricity	30	97
Bathtub or shower	20	81
Running water	18	89

Source: M.A. MacNaughton and M.E. Andal, Changes in Farm Family Living in Three Areas of the Prairie Provinces, from 1942-43 to 1947, (Ottawa, 1949), Appendix IV, Table 11, p. 72.

Moreover, the loss of labour by the farms could not be entirely replaced by implements; the loss of farm workers seems to have been paralleled by a loss of domestic help. A federal Department of Agriculture study of farm living standards revealed that among 150 families surveyed in west central Alberta, the number with some domestic service decreased from 28 to 15 per cent between 1943 and 1947. In the same period, in west central Saskatchewan the average amount paid by those who had help increased from \$82 to \$154. On the other hand, there seems to have been no reduction in agricultural production for household consumption, a traditionally female responsibility. For example, on the same 150 farms in Alberta, the average value of home-produced food per family increased from \$307 to \$365, and from 45.75 to 48.9 per cent of the total food cost between 1943 and 1947. In 1952, a survey of 202

farms in central Alberta still indicated that 78 per cent of women habitually took care of poultry, 72 per cent engaged in gardening, 69 per cent regularly cleaned the milk equipment and 61 per cent performed the milking.<sup>6</sup>

As hired girls and daughters alike moved to the city, the burden on the farm women who remained grew. The Financial Post reported in 1949

It is generally felt that the farm wife has not been able to share in the benefits of farm mechanization to the same extent as her husband. By making it possible for her to have appliances, they [the governments of the prairie provinces] hope that one cause of the trek away from the farms will be stemmed, and their efforts to encourage a year-round diversified farming operation will fall upon more receptive ears

The relief offered by electric appliances is illustrated by the following letter, written in the early 1940s by a farmer in Altona to the Manitoba Power Commission:

We took in the current last fall I had my place wired for light and power, house, barns, granary, but dreaded the initial cost of installation, etc, not knowing what its actual saving could amount to

Well, it may interest you to know that for the first time in years we had trouble finding a maid to help the wife with the housework, etc, because of labor shortage. My wife claimed that she could manage if I would get an electric washing machine, which I did. This enabled us to get by for seven months without help in the house, and wages and board saved more than pays for the machine and current used I must explain I have two daughters of school age who help a lot but could not assist on wash days.<sup>7</sup>

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<sup>6</sup>M A MacNaughton and M E Andal, Changes in Farm Family Living in Three Areas of the Prairie Provinces, from 1942-43 to 1947, (Ottawa, 1949), pp 34, 75, 66, 73, Helen C. Abell, "The 'Woman's Touch' -- In Canadian Farm Work," The Economic Annalist, vol 24 (1954), pp 37-38.

<sup>7</sup>"Big Market For Appliances Opens Up In Rural Homes," Financial Post, 30 April 1949, undated letter from J J Siemens (a prominent Manitoba farm leader) to the Manitoba Power Commission, cited in Manitoba Electrification Enquiry Commission, A Farm Electrification Programme, p 83 The predominance of women in productive activities like dairying is a direct indication of the extent to which they were destined for household consumption, see on this point, Marjorie Griffin Cohen, "The Decline of Women in Canadian Dairying," Histoire sociale/Social History, vol 17 (1984), pp 307-34 The fact that after electrification, household appliances were acquired much more quickly than milking machines raises interesting questions about the priorities attached to different forms of female labour in post-war prairie agriculture It should be noted that the production of food for home

If labour shortages created similar pressures on farm women to those experienced by the rest of prairie agriculture, the only solution was an intensification of female labour. Washers, stoves and refrigerators could increase productivity in the home much as tractors and combines increased productivity in the fields, but their pre-requisite was rural electrification.

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Alberta was far from being the first province to consider rural electrification as a post-war project. It was even a rehabilitation project of the latter part of the depression in several provinces where the depression in agriculture was less severe than on the prairie. As early as 1935 the Liberal government in Quebec introduced a series of laws governing electricity, including a provision for grants to rural municipalities of 50 per cent of the costs of establishing electric service, upon recommendation of a commission, yet the result was a meagre 253 requests for service granted, out of 733 received between 1935 and 1939. In Nova Scotia, a Rural Electrification Act was introduced in 1937 which authorized any public utility, or if it refused, the provincially-owned Nova Scotia Power Commission, "to extend rural service wherever the average number of potential customers was one more per mile than would be required to make the extension self-sustaining when all became customers" (the required average number was further reduced in 1939). Here the result was 767 miles of new rural lines and roughly 50 per cent of Nova Scotia farms supplied with

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consumption has remained an important element of farm women's labour in a 1982 survey of 202 women members of the National Farmers Union (of which over three-quarters were from the prairie provinces, including one fifth from Alberta) 92 per cent still indicated that they regularly took care of a garden for family consumption, while 32 per cent regularly and 34 per cent occasionally took care of animals for family consumption, Susan E. Koski, "The Employment Practices of Farm Women," (National Farmers Union, 1982), p. 32. However, a recent Ontario study suggests that "transference of production to the confines of large and specialized farms represents the phasing-out of areas traditionally defined as women's work," a trend accelerated as farm women turn to off-farm employment for extra family revenue, Linda L. Graff, "Industrialization of Agriculture: Implications for the Position of Farm Women," Resources for Feminist Research/Documentation sur la recherche féministe, vol. 11 (1982), pp. 10-11.



electric power by the time the war broke out and put an end to construction. In 1938, Ontario also reduced its requirement for initial rural services per mile from three farms to two, and the period from 1936 to 1941 saw 10,500 miles of line added to the system.<sup>8</sup>

By the time the Social Credit government announced the Research Council of Alberta would begin investigation of rural electrification, in mid-March 1943, the governments of Manitoba and British Columbia had already received reports on the subject (the Saskatchewan government had merely assigned the general question to its Reconstruction Council, formed in 1943). The British Columbia Post-War Rehabilitation Council recommended a public Hydro-Electric Commission to develop and generate power for industrial and rural use, combined with grants in-aid for up to 50 per cent of the capital costs of rural distribution and loans of up to \$1,000 to farmers to help with the cost of wiring and equipment. The Report of the Manitoba Electrification Enquiry Commission was much more detailed and more widely consulted while its recommendations were both remarkably progressive and closely followed by the government. The Report recommended a rural rate combined with a minimum monthly bill sufficient to pay the capital costs (plus a bonus of three and one-eighth per cent) of service to 80 per cent saturation of rural Manitoba; the Commission also recommended the province supply farmers with appliances and wiring itself, at net cost. Manitoba, however, was unique among the prairie provinces in possessing an extensive, publicly-owned network providing cheap hydro-electric power.<sup>9</sup>

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<sup>8</sup>Albert Rioux, L'Electrification rurale du Québec, (Sherbrooke, 1942), pp 85-90, Nova Scotia Power Commission, 50 Years of Service; 1919-1969, ([Halifax, 1969]), pp 26-27, British Columbia, Post-War Rehabilitation Council, Interim Report (Victoria, 1943), p 252, M J McHenry, "Rural Electrification," The Canadian Banker, vol 52 (1945), Figure 2, p 89

<sup>9</sup>Edmonton Bulletin, 13 March 1943, Lois Volk, "The Social Effects of Rural Electrification in Saskatchewan," (M A thesis, University of Regina, 1980), p 34, British Columbia, Post-War Rehabilitation Council, Interim Report, pp. 256-57, Manitoba Electrification Enquiry Commission, A Farm Electrification Programme, pp 128-30. A Subcommittee of the federal Advisory Committee on Reconstruction wrote: "The Report of the Manitoba Electrification Inquiry Commission has made the most substantial contribution to understanding of the subject and to

The Research Council of Alberta's report was produced by Prof Andrew Stewart, an agricultural economist at the University of Alberta. The report itself was never published, though a summary appeared as a series of articles in the Farm and Ranch Review and was reprinted by the Alberta Post-War Reconstruction Committee. It is striking for its conservatism, particularly when compared to the Report of the Manitoba Electrification Enquiry Commission. In Manitoba it was estimated that 53,000 of the province's 58,686 farms lay within the service area for electric lines, due to the wide range of the Manitoba Power Commission's lines. An average of 80 per cent saturation or 43,000 potential customers was expected, and 25,000 farms could be connected within ten years. By contrast, Stewart began by "having in mind that some limitation of the scope of any immediate programme of farm electrification is probably desirable." Thus Stewart aimed for the electrification of 30 per cent of Alberta's approximately 100,000 farms within ten years, at a rate of 3,000 per year.<sup>10</sup>

Stewart's guiding principle was "that the largest number of additional users can be served from a given expenditure of public funds when extensions are made in those localities where costs per user are lowest, and that costs are likely to be lowest in those localities close to existing sources of supply, and/or where there is the greatest density of potential users." He began with the area of Alberta which

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the material needed for formulation of policy, in recent times", Canada, Advisory Committee on Reconstruction, IV Housing and Community Planning, Final Report of the Subcommittee, (Ottawa, 1944), p 219

<sup>10</sup>Manitoba Electrification Enquiry Commission, A Farm Electrification Programme, pp 107-109, 128, Andrew Stewart, "Rural Electrification in Alberta, A Report to the Research Council of Alberta," vol 1, ([Edmonton], 1944), pp 42, 37. (There were actually 93,200 farms in Alberta in 1941.) Stewart became a popular academic with both levels of government in the years after he wrote this report: from 1945 to 1946, he was executive secretary of the Alberta Reconstruction Council (part of the Dominion Department of Reconstruction); he sat on Alberta's Royal Commission on Natural Gas, 1948 to 1949, and on the federal Royal Commission on Canada's Economic Prospects in 1955, he chaired the federal Royal Commission on Price Spreads in Food Products in 1957 and the Board of Broadcast Governors in the early 1960s, Kieran Simpson, ed, Canadian Who's Who, vol 20, (Toronto, 1985), p 1191

included all existing transmission lines and contained 68,816 farms. Having recommended inexpensive, single-phase distribution lines which best served an area within a twelve-mile distance, he further reduced the proposed service area to the 55,254 farms within it. Stewart then estimated a 54 per cent saturation rate to end up with the 30,000 farms he had first proposed. Like the Manitoba Electrification Enquiry Commission, Stewart assumed that total costs would be met out of rates paid by farmers for the power they received. The figure of 30,000 farms, and its premise, that service should be developed on the basis of the existing transmission lines, constituted perhaps his most influential recommendation and was later used in planning by both government officials and the power companies (in fact, Canadian Utilities later hired Stewart to plan rural service districts). For the 40,000 farms out of reach of the transmission lines, Stewart suggested gasoline- or windmill-driven electric plants <sup>11</sup>

The question of the estimated saturation rate merits further attention because it demonstrates the underlying assumptions of Stewart's report. The estimate was the result of a field survey of 1,451 farms, each of which had been rated "good", "fair", or "poor". All farms rated "good" were counted as connected, unless they would have

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<sup>11</sup>Andrew Stewart, "Rural Electrification in Alberta, A Report to the Research Council of Alberta," vol 1, pp 43, 44, 68, 82-83, 86; regarding Canadian Utilities hiring Stewart, see PAA, Premier's Papers, Acc 69 289, file 1347, H R. Milner to C E Gerhart, 26 November 1946. The Alberta Power Commission recommended that "the area presently traversed by transmission lines receive the earlier attention," in PAA, Acc 83 333, Box 1, memo "POWER COMMISSION," 9 April 1946, for Canadian Utilities' use of Stewart's figure in its plans for rural electrification, see Edmonton Journal, 18 March 1947, on electric plants, Andrew Stewart, "Rural Electrification in Alberta," vol 1, p 102. Stewart was not the only one to suggest windmill-driven plants for farmers. In 1948 the Hon Jimmy Gardiner, federal Minister of Agriculture, told the House of Commons he had found them ideal for his Saskatchewan farm, leading The Farm and Ranch Review to sponsor a debate on the subject among its readers. While those in favour wrote of the benefits of electric power, those against preferred to receive those through central station power, citing faulty and dangerous equipment and uncertain service from windmill plants; James G Gardiner, et al, "Hydro versus Wind Power Debate," Farm and Ranch Review, vol 44 (November 1948), pp 14-17.

required extending the line more than one and on half miles; half of the farms rated "fair" were counted as connected, but none of the farms rated "poor". What determined a farm's rating? Stewart's report suggests scientific detachment by field enumerators, whose "ratings placed on farms were based on as reasonable and reliable judgement as could be secured"<sup>12</sup> But the master's thesis of one of the "enumerators", completed under Stewart's supervision, includes much more subjective criteria. It includes a page with photographs of two farmsteads, one a log cabin and barns with forest still standing behind them, the other a two-storey frame house with a large barn and several other buildings beside it, on extensive, cleared fields. The enumerator made the following analysis:

These two pictures of farmsteads illustrate unfavourable and favourable prospects for power [ ] These conditions do not occur by accident, instead there are fundamental reasons and these are directly related to any extension of electric power. Further discussion of these factors relating to the attitudes of farmers follows.

(1) The Nationality of the Farmer

[ ] In some of the districts, e.g., Calgary, the proportion of the population of British races is high, whereas, for others it is quite low, especially for districts north and east of Edmonton. The percentage of prospects rated "good" or "fair" for the last mentioned districts is low. There are a number of explanations for this. One may be the nationality of the people rather than possible physical or economic factors [ ] Here a greater amount of educational and promotional work will probably be necessary for extensive rural electrification.<sup>13</sup>

Since the areas with the largest and wealthiest farms, such as the grain farms of southern Alberta, also had among the lowest rates of potential customers per mile, while the areas of poorer, more recently-established

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<sup>12</sup>Andrew Stewart, "Rural Electrification in Alberta," vol. 1, pp 62-64, 65.

<sup>13</sup>Algie R. Brown, "Rural Electrification in Alberta," (M.A. thesis, University of Alberta, 1944), p. 11. Brown's bias is further indicated by the fact that the second, more prosperous farm he described was already equipped with a combination windmill- and gasoline-driven electric plant, according to a caption under the same photograph in A. R. Brown and Andrew Stewart, Farm Electric Plants in Alberta, (Edmonton, [1945?]), p. 25. For the heavily Ukrainian Mundare-Smokey Lake district, it was estimated only 34 per cent of the farms would be connected, the lowest proportion for any district, Andrew Stewart, "Rural Electrification in Alberta," vol. 1, Table 30, p. 83.

immigrant farmers had the highest farm density, Stewart maintained that "in all districts some features may be favourable and others unfavourable " But in fact, even in Stewart's potential service area (that served by existing transmission lines), a division of the districts he had drawn up reveals that only 65.2 per cent of farms north of Edmonton were within 12 miles of a transmission line, compared to 89.1 per cent of southern farms. The proportion of farms Stewart proposed could be served, ranged from 100 per cent in the area surrounding Calgary, to only 52.6 per cent of those in an immigrant area some 30 miles northeast of Edmonton.<sup>14</sup>

The Social Credit government received Stewart's report in March 1944 and took one cautious step that same month by establishing an Alberta Power Commission. (This action, however, was not suggested by Stewart, whose report was strangely silent on the question of control and development of a rural power system.) It proved to be the start of four-and-one-half years of political gestures which left open the possibility of public ownership, but were never backed by any political will. The three-member Commission was to investigate power and its distribution at the request of cabinet, but it could also develop, manufacture, sell or distribute power and was empowered to expropriate "the whole or any part of the property, person, firm or corporation manufacturing or distributing power in Alberta." The creation of the Commission seemed designed to remind voters of power commissions in Saskatchewan, Manitoba and Ontario, which were publicly-owned utilities. Elmer Roper, the CCF's lone MLA, "said he was going to support the bill, adding he was gratified that the government had yielded to demands such legislation be introduced." The Minister of Public Works, W.A. Fallow, replied that "he had advocated public ownership long before Mr. Roper had entered politics." He added, that "anything the government did would be as a result of its own political philosophy and beliefs and not as a result of pressure by outsiders."<sup>15</sup>

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<sup>14</sup>My calculations, based on Andrew Stewart, "Rural Electrification in Alberta," vol. 1, p. 46, Table 30, p. 83 (the districts referred to are IV and XIV)

<sup>15</sup>Edmonton Journal, 21 March 1944, Ibid, 24 March 1944.

But even as the bill establishing the Commission was debated, the government moved to limit the Commission's powers. Attorney-General Lucien Maynard moved to strike a section of the bill which allowed the Commission to take over the management of any plant without cause, admitting that Calgary Power and the Edmonton Chamber of Commerce had objected to it. After long debate, he reintroduced the section with an amendment that the plants could be taken over if their management refused to abide by an order of the Public Utilities Board. Maynard also moved an amendment which established a limit of \$100,000 on loans the Commission could make to develop projects, as well as a maximum borrowing for each project.<sup>16</sup>

As interest in rural electrification mounted, the Commission served to give the impression the government would soon be intervening to ensure it took place, though no clear course of action was given. In a provincial government brochure celebrating Social Credit's achievements from 1935 to 1943, the Alberta Power Commission was described as, "Empowered to take the necessary steps towards the eventual development of Alberta's power resources and the electrification of the rural areas of the province." Wartime shortages aided and abetted ambiguity: rural electrification was almost always referred to as a post-war reconstruction measure, which justified postponing any detailed discussion. Even the UFA's 1944 convention merely requested, of "the proper authorities that as soon as wartime restrictions are removed, power companies be required to make power available to farmers within reasonable distances of such lines, at reasonable rates."<sup>17</sup>

In the provincial election campaign of the summer of 1944, Social Credit continued the ambiguity. An election leaflet inviting voters to "Keep Alberta in the Lead, Vote Social Credit" referred to surveys underway and the creation of the Alberta Power Commission as "steps taken to bring 'MORE POWER TO THE FARMER'." The CCF, on the other hand,

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<sup>16</sup>Ibidem

<sup>17</sup>PAA, Cornelia R. Wood Papers, Acc. 74 138, file "gov pubs," Progress in Alberta, 1935-1943, ([Edmonton], [1944]), pp. 19-20, Glenbow-Alberta Institute (hereafter, GAI), United Farmers of Alberta Papers, M-397, Minutes of the Thirty-Fifth Annual Convention, 1944, p. 23.

was very precise: its major campaign promise was to take over both the oil and power companies and its slogan was "Resources for the People" Roper declared that taking over Calgary Power would be one of the first acts of a CCF government in Alberta and called it "the only way to ensure there will be rural electrification such as is so urgently needed by farmers today " He also promised that the oil company profits, which were "pouring out of the ground" would be rechannelled to pay for new public services.<sup>18</sup>

Ironically, the CCF's clarity only encouraged Social Credit to be more elusive For as a political columnist from outside the province observed, the contest came on the heels of the CCF's victory in Saskatchewan and its unprecedented popularity across the country:

This is an election, not so much to put the Social Credit government back in, or to put anybody in, as to keep the C C.F out And the general consensus is that the best way to keep the C C.F out is to see that the Social Credit government stays in <sup>19</sup>

In his speeches Premier Manning formulated the problem of rural electrification in a variety of ways without ever making his own solutions clear "Speaking of government control of industries [to an audience in Edson], he stated that to take away private monopoly and make one huge state monopoly certainly would not change the fundamentals of monopoly and it was the fundamentals which Social Credit was opposing " In Red Deer he explained that if it took over Calgary Power,

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<sup>18</sup>Election leaflet in PAA, Cornelia R Wood Papers, Acc. 68.74, Item 198; Calgary Albertan, 4 August 1944, Edmonton Journal, 3 August 1944, Calgary Albertan, 21 July 1944 The Alberta CCF's campaign was criticized for having "lacked the practical appeal of Tommy Douglas's approach in Saskatchewan," which had "concern[ed] itself with markets, prices, farm produce, co-op's and health -- matters in which Tommy Douglas knows the people of the Prairies to be interested", Morris C. Shumiatcher, "Alberta Election," Canadian Forum, vol 24 (September 1944), p 127 Roper replied that Social Credit had persuaded Albertans "that it had done wonders in health and education " He explained. "We therefore had to choose between conducting a campaign of promising something better in the way of social services than the perfection the government was claiming it already achieved -- or put forward a program of social ownership of the rich natural resources of the provinces[sic], which is the basis of the CCF policies", Elmer E Roper in "Correspondence," Canadian Forum, vol 24 (October 1944), p 162

<sup>19</sup>Percy Rawling, "Alberta's Dead Issue," Winnipeg Tribune, 20 July 1944

the government would have to pay out \$300,000 per year in debentures, "but would not be one step nearer rural electrification. The problem is not ownership of the plant, but the cost of the transmission lines to reach the farms."<sup>20</sup>

There was a third participant in the debate (excluding the Independents who energetically denounced the CCF's proposals for public ownership): the power companies chose the weeks and days before the election to announce test installations of electric service in rural areas and received wide coverage for it in the newspapers. In mid-July Calgary Power announced that 100 farms in the Olds area would be connected on an experimental basis for an initial payment of \$100 in addition to the monthly service charge. On August 3, Canadian Utilities announced that work had been started to connect 60 farms in the Swalwell area near Calgary as "a testing ground for new methods of power line construction under which the cost of extending power lines to farms would be greatly reduced." Work would also begin the following week for 45 farms near Vegreville. Canadian Utilities's farm customers were to receive electric service for "free", that is the installation charge would be added to the monthly fee.<sup>21</sup>

After the ballots were counted August 8, Manning's Social Credit was returned with an overwhelming majority: 52 per cent of the vote and 51 out of 57 seats. The CCF came second in the popular vote with 25 per cent, but elected only two MLAs (Roper and a colleague from Calgary), while the Independents received 17 per cent and elected three candidates.<sup>22</sup> Social Credit's plans remained as ill-defined in

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<sup>20</sup>Edmonton Bulletin, 21 July 1944; Red Deer Advocate, 2 August 1944.

<sup>21</sup>For the position of the Independent Citizens Association (former Conservatives and Liberals in an anti-reform alliance), see Calgary Albertan, 26 July 1944 and their advertisement in the Fort MacLeod Gazette, 27 July 1944, which was devoted exclusively to "C C F Mouthings" about socialization of the Ghost River dam and rural electrification, regarding Calgary Power, see Calgary Herald, 18 July 1944; for Canadian Utilities, Ibid, 3 August 1944. The Alberta Petroleum Association responded directly to CCF charges that oil profits were flowing out of the province in a statement published in its entirety in the Calgary Herald, 26 July 1944.

<sup>22</sup>Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), p 14



government as they had been in the campaign. in December 1944 it asked its civil servants to outline courses of action to ensure rural electrification. A Power Commission memo titled "Information the Government would like from the Alberta Power Commission" listed a "practical" service area, estimates of capital costs and rate schedules. It also listed the possibilities of taking over power production and distribution before rural expansion, having the Commission provide rural service with power bought from the power companies, or encouraging them to provide it through "some system of bonusing." Members of the Power Commission tended towards the second alternative and the government's only decision in the matter in 1945 was to order a complete audit of Calgary Power.<sup>23</sup>

But if the government was dragging its feet on rural electrification, neither the power companies nor the farmers themselves were inclined to wait. A survey of farmers conducted for the Alberta Post-War Reconstruction Committee found "that more than 90 per cent of those interviewed expressed a desire for immediate construction of the proposed lines. The demand for electrification is general over the entire Province." Indeed, 27 per cent of them were so impatient that they planned to acquire gasoline- or windmill-driven lighting plants themselves "within an approximate three-year post-war period." In addition, by the spring of 1945 there were six small rural electric power cooperatives in existence, each with between 20 and 50 members. Four were on the outskirts of Edmonton and bought their power from the

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<sup>23</sup>PAA, Acc 83 333, Box 1, "INFORMATION THE GOVERNMENT WOULD LIKE FROM THE ALBERTA POWER COMMISSION," 16 December 1944, regarding the audit, Minister (i.e., W.A. Fallow) to W.D. King, 22 December 1944, "HISTORY SHEET," 23 April 1945, C.E. Gerhart to Board of Public Utility Commissioners, 2 May 1945; memo "CONFIDENTIAL," 8 November 1945. See also, Department of Public Works Collection, Acc 76 78, file "Alberta Power Commission," "Interim Report for Alberta Power Commission; Discussion of Some Plans and Policies for Electrification" by Ben Russell, Director of Water Resources, 20 November 1944. The audit was conducted by prominent Edmonton accountant F.G. Winspear, who was critical of Calgary Power's procedures, "particularly as to the depreciations and values which go into the capital structure and on which the rate base is established" -- some of which had been initiated in case the federal government might exercise its right to expropriate in 1930, under the terms of the water power license.

City; another, in Sundre, ran its own diesel engine and generator, the sixth hoped to buy a military power line from the federal War Assets Corporation. The end of the war brought an increasing number of requests by Edmonton area farmers for City power and in June its council adopted a policy to sell power in bulk "to properly constituted rural distributing agencies."<sup>24</sup>

This trend seems to have been viewed with dismay by Calgary Power. Before the end of the war, its manager had told the City's power department the company was "not interested" in supplying two groups of farmers near the city, but by the end of 1945, company officials had announced plans to extend lines to one of them. In 1947 the president of the Salisbury Light and Power Cooperative, also supplied by the City of Edmonton, complained that it wished to extend its line to serve other farmers, "but the Calgary Power seems to be hemming us in so we cannot do very much." Calgary Power's interest in serving farms near Edmonton is easily understood: while Stewart had expected an average of only 1.5 farm customers per mile of line, the Namao Cooperative had 26 subscribers on only 5.75 miles of line. In addition, the farmers were engaged in dairy farming in the "milk shed" supplying Edmonton and could use electric appliances (such as fridges, water heaters, or milk coolers) which would lead to high rates of consumption.<sup>25</sup>

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<sup>24</sup>Alberta, Legislative Assembly, Sessional Papers, 1945, vol. 39, pt. 3, Alberta Post-War Reconstruction Committee, "Report of the Survey on Agricultural Plans and Intentions," (Appendix 2, Part 1), pp. 16, 18, PAA, Acc. 83 333, Box 1, F. J. Fitzpatrick to W. D. King, 27 May 1947, City of Edmonton Archives (hereafter, EA), Clippings file, "Edmonton-Power Plant, 1945-63," clippings dated 6 June and 13 June 1945.

<sup>25</sup>EA, Commissioner's files, uncatalogued, file "Power Supply and Calgary Power Company, 1939-40-4-5," undated "Memorandum for File," signed R. J. Gibb, (internal evidence suggests the meeting was November 24, 1944), Edmonton Journal, 13 November 1945, PAA, Acc. 83 333, Box 1, copy of J. W. Hosford to F. J. Fitzpatrick, n.d., and F. Cresswell to F. J. Fitzpatrick, n.d., attached to F. J. Fitzpatrick to W. D. King, 27 May 1947, Andrew Stewart, "Rural Electrification in Alberta," vol. 1, p. 67. These original rural electric cooperatives in the Edmonton area were in 1962 also the first to be swallowed up by Calgary Power, H. W. Webber, "Historical Information on R. E. A.'s," (Manuscript in the library of the Alberta Department of Utilities and Telecommunications), 23 November 1976, p. 1.

Through 1945, 1946 and 1947 Calgary Power, Canadian Utilities and Northland Utilities slowly expanded rural electric service. They did so on their own terms, observed but not regulated by the Power Commission. However, W D King, the Commission chairman, was under no illusion as to what was occurring. In November 1946 he wrote: "It is quite apparent that the private power companies are endeavouring to extend their distribution of power in the most profitable farm areas of the province" <sup>26</sup>

Calgary Power began near Olds by charging a \$100 payment and a monthly service charge of \$5.00, with additional power over the first 20 KWH charged at two cents per KWH. As the Power Commission noted: "Therefore the farmer was paying forever \$4.60 per month toward the capital cost of the line and the replacement of it later on." As noted above, Canadian Utilities began in Swalwell and Vegreville with a \$5.00 monthly charge and a rate of three cents per KWH for power consumed in excess of 20 KWH per month. "This meant that the farmer paid \$4.40 per month forever for the installation and also paid fifty per cent more for power than under the Calgary Power plan." By the spring of 1947 Canadian Utilities had changed its policy. While they had previously paid wiring and other expenses for farm houses which were three-quarters of a mile or less apart, they demanded contributions of \$100 per farm from farmers in the a district where farm houses were a mile or more apart <sup>27</sup>

Calgary Power quickly abandoned the rates charged near Olds and by the end of 1945 had elaborated a plan which threw full responsibility for electrification onto the farmers. Farmers contributed \$700 each (sometimes slightly less or more depending on whether the distance between farms was more or less than three-quarters of a mile) and formed cooperatives which hired Calgary Power as a contractor to build "their" lines. In return for another \$2.50 per month, Calgary Power took care of ordinary maintenance, meter reading, billing, liability insurance and set up sinking funds for the lines. It is interesting that the company

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<sup>26</sup>PAA, Acc. 83 333, Box 1, memo "RURAL ELECTRIFICATION, DEWINTON PROPOSAL," 16 September 1946

<sup>27</sup>PAA, Acc. 83 333, Box 1, memo "RURAL ELECTRIFICATION," 1945.

charged not only much more than initial investments made by members of the earlier farmer-initiated cooperatives (usually between \$100 and \$200), but substantially more than the \$672 which Canadian Utilities in 1946 calculated as its capital outlay per connection <sup>28</sup>

Both companies also considered rural electrification in their Saskatchewan operations, but followed a different course of action there. Canadian Utilities concluded the farmers would have to be organized into cooperatives to reduce maintenance and meter-reading costs; Calgary Power's subsidiary, the Prairie Power Company, informed the government that it would require subsidization for any program of rural extensions. But the Minister of Natural Resources in the new CCF government, J. L. Phelps, decided the Saskatchewan Power Commission would take over all the province's power resources. It purchased the Prairie Power Company at the end of 1945 and Canadian Utilities's Saskatchewan operations in 1946 <sup>29</sup>

In Alberta, the switch was flipped on the two companies' pilot rural electrification projects with great fanfare. Canadian Utilities opened its rural power lines near Vegreville in June 1945 with "the first rural electrification field day in western Canada [ ] Forty autos brought farmers and their families from the immediate district to the farm home of John Mast to see to what uses electrical energy was being put, and a demonstration of power and domestic equipment." King was on hand on behalf of the Power Commission, along with the assistant deputy minister of agriculture, to express their appreciation for the experiment. A year later the company had refined its stage management when the Vegreville line was extended to 30 Willingdon area farms, more than 400 farmers gathered for an official ceremony turning the switch

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<sup>28</sup>PAA, Acc. 83.333, Box 1, Ibidem; Calgary Albertan, 8 April 1947

<sup>29</sup>Lois Volk, "The Social Effects of Rural Electrification in Saskatchewan," pp. 53, 56-57, 58, 66-67, on Canadian Utilities' plans for rural expansion in Saskatchewan, see "Prairie Rural Electrification Plan Limited Only by Shortage of Supplies," Financial Post, 27 April 1946. In spite of making the Saskatchewan Power Commission a public monopoly, in the years which followed, the CCF government concentrated on development of the transmission system and had added only 699 new farm customers by 1948, Lois Volk, "The Social Effects of Rural Electrification in Saskatchewan," pp. 67-69

The province's district agriculturist acted as master of ceremonies and the local MLA spoke

There was a gay pageantry of colorful Ukrainian costumes during a stage performance by Willingdon residents. They depicted the march of progress from the late 19th century to modern power conveniences

The artists portrayed the old farm life when household chores lacked the assistance of electric power. From the days of washboards, dim lamps and old fashioned carpet sweepers they showed the advance to power washing machines, brilliantly lighted homes and vacuum cleaners

For its part, Calgary Power concentrated its publicity on setting up cooperatives. A plan to connect 600 farms near Ponoka began with a mass meeting in June 1945, "with a full house and interest high. Then, at the Ponoka stampede, the advantages of rural electrification were explained by means of a public address system."<sup>30</sup>

The power companies' projects, however, did little to arouse farmers' enthusiasm for private development. For in spite of the fanfare, the companies' projects were extremely limited in scale: Calgary Power claimed to be operating from a nine-year rural electrification program, but provided service to only 108 farms in 1945 and planned to connect 600 more in 1946. Out of 1,500 new connections by Canadian Utilities in 1945, only somewhat more than 10 per cent were farms and the company planned to connect about the same number in 1946. Both utilities said their expansion plans would "depend on the availability of materials."<sup>31</sup> The results did not compare favourably with either the number of new, non-farm customers being connected in Alberta, nor with the pace at which public power companies were bringing electricity to farms in Manitoba (Saskatchewan was far behind, due to its limited power grid).

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<sup>30</sup>Edmonton Journal, 22 June 1945, Ibid., 16 September 1946; Ibid., 18 March 1946; regarding Calgary power, Ibid., 6 August 1945.

<sup>31</sup>"Prairie Rural Electrification Plan Limited Only by Shortage of Supplies," Financial Post, 27 April 1946

TABLE VI  
NUMBER OF ALBERTA FARMS SERVED BY CENTRAL ELECTRIC STATIONS  
COMPARED TO TOTAL NUMBER OF CUSTOMERS IN ALBERTA  
AND TO FARMS SERVED IN SASKATCHEWAN AND MANITOBA

year	total customers <u>Alberta</u>	farms served <u>Alberta</u>	=	farms served <u>Sask.</u>	=	farms served <u>Manitoba</u>
1944	105,000	1,244		293		1,070
1945	112,000	1,620		417		1,236
1946	121,000	1,391		486		2,311
1947	131,000	2,275		739		3,496
1948	142,000	3,393		1,227		5,694

Source: Alberta Power Commission, Annual Report, 1953, p 10, Tables 5 and 6.

Service in a few areas only made farmers elsewhere impatient. The UFA's 1945 convention debated one resolution which noted that "some experimental work has been started in some parts of Alberta" and therefore asked for rural electrification in the central, parkland areas, while another cited "experimental work [which] has been started in northern and central Alberta" and asked for rural electrification "in the southern part of the province." By November 1945, farmers in 18 communities had asked the government or the Power Commission for electric service.<sup>32</sup>

At the same time, organized farm groups were able to agree that the development of rural power should take place under public ownership. In a brief to the Postwar Reconstruction Committee in December 1944, the UFA had hesitantly "commend[ed] again to [the Committee's] consideration... the success of the publicly owned Hydro-Electric in Ontario..." The January 1945 convention merely asked the Power Commission "to proceed with rural electrification," while the UFWA "urge[d] the Provincial Government to bring about the electrification of rural areas, as a postwar project with the ultimate idea of public

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<sup>32</sup>GAI M-397, Minutes of the Thirty-Sixth Annual Convention of the United Farmers of Alberta, 1945, pp. 13, 14, PAA, Acc. 83.333, Box 1, "RURAL ELECTRIFICATION," 23 November 1945

ownership of such systems " But the UFA was no longer the only farm group in the province. the Alberta Farmers' Union was now competing with it for members and influence and took a much stronger stand. The AFU's committee on reconstruction called on the province "to develop [electric] service as a public enterprise on the basis of service "

By the end of the year, the AFU had won the UFA executive over to its views and the two groups presented a joint brief on rural electrification to the government. The brief called on the province to take over existing transmission facilities and to begin developing them for comprehensive rural service in the next year, in a system based on the Ontario model. Not only did it call for power to be provided to farmers at cost, the brief proposed that "the provincial government should bear part of the initial cost of constructing the rural lines, as has been done elsewhere, and that the government should make grants-in-aid equal to 50 per cent of the cost as a measure of aid to agriculture." The contents of the brief were later endorsed at the annual conventions of both organizations and by the Alberta Federation of Agriculture, which included commodity groups and producers' cooperatives, as well as the UFA and AFU <sup>33</sup>

Although shortly after receiving the UFA-AFU joint brief, Manning told reporters his government was "vitally" interested in rural electrification and even noted that the Alberta Power Commission's powers included expropriation, he also admitted no decision had yet been taken on the matter. It seems to have taken the major part of 1946 before he even asked the Power Commission for any proposal. The Commission itself began to press for the right to enter the power

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<sup>33</sup>PAA, Winifred Ross Papers, Acc. 71 420, Item 29, "Brief presented to the Alberta Postwar Reconstruction committee by the United Farmers of Alberta, December 1944," p. 14; GAI, M-397, Minutes of the Thirty-Sixth Annual Convention of the United Farmers of Alberta, 1945, pp. 13, 14; Minutes of the Thirtieth Annual Convention of the United Farm Women of Alberta, 1945, p. 5, on the AFU's position, GAI, H. E. Nichols Papers, M-900, file 47, "Report of the Reconstruction Committee"; PAA, Acc. 71 420, Item 4, Minutes of meeting of the executives of the U.F.A. and A.F.U., 6 September 1945, joint brief as cited in Edmonton Journal, 13 November 1945; PAA, Alberta Federation of Agriculture Papers, Acc. 80 150, Minutes of the 1945 Annual Meeting, pp. 19-20

business: in September 1946 King recommended that the Commission be authorized to buy a military airport and extend its power line to serve 234 farms "This would be a good demonstration unit to prove costs, construction, operation, rates, etc and also the financial help that might be expected from farm users to carry a Provincially owned rural electrification programme," he wrote. No action was taken on this request, however <sup>34</sup>

In mid-December, Manning finally asked the Power Commission for "an extensive ten-year plan to electrify thirty-thousand or such other feasible figure as may be found expedient over the succeeding ten years " Manning had met Herbert Cottingham, former chairman of the Manitoba Power Commission and member of the Manitoba Electrification Enquiry Commission, who impressed on him the importance of avoiding "piece meal" expansion Therefore, the power companies would be asked to expand "only in accordance with this long range plan," while the plan itself should "be prepared on the basis that the Power Commission would have available the present power lines, facilities and earning capacity of the present power companies " Manning also hired Cottingham to review the Alberta Power Commission's plans and advise the government on them <sup>35</sup>

Cottingham's report, submitted February 28, 1947, recommended public ownership, pure and simple "It is a sound policy that such service, so vital, entering every phase of the life of the people be owned and operated by the government " But he also maintained it would be less costly "On a conservative estimate of the savings in overhead including the amount these companies paid in income and excess profit taxes, also the savings on interest (assuming the government can borrow money at 3%), would permit a substantial reduction in the present rates, and farm electrification would be operated on a much sounder and less costly basis." In his view, the motive for acquiring the power companies was "a benevolent one and not for profit," so he proposed low

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<sup>34</sup>Edmonton Journal, 21 November 1945, PAA, Acc. 83.333, Box 1, memo "RURAL ELECTRIFICATION DEWINTON PROPOSAL," 16 September 1946

<sup>35</sup>PAA, Acc. 83 333, Box 1, untitled memo marked "164 8 14," 14 December 1946.



interest loans to help farmers pay for wiring and appliances; a rapid increase in electric generating capacity to permit rapid service expansion; construction of new extensions at a rate of 5,000 farms per year (instead of the proposed 2,000), and maintaining a mix of sparsely and densely populated areas, even in the early stages of construction. Perhaps Cottingham's most radical proposal was an absolute principle of urban-rural cross-subsidization.

The rates to the farmers should be the same as domestic users in the villages. The farmer must have a rate to enable him to use abundant power for all his farm operations and domestic requirements. The cost of bringing service to the farmer is heavy and it can only be justified and the project made self-liquidating when the farmer makes plentiful use of the electrical energy. Power should be sold directly to the consumer, if sold in bulk to municipalities, cities, towns and villages and a profit made by them, it defeats the policy that the benefit of the natural resources should be shared by all.<sup>36</sup>

In the summer of 1947 the premier began negotiations with the power companies on the extension of rural electrification using only the ten-year plan for private development the Power Commission had devised. This plan called on Calgary Power and Canadian Utilities to begin a program for providing service at a uniform rate to at least 21,500 farms over the next ten years within the areas covered by their transmission lines and extending transmission to areas with comparable density. The only subsidy Manning offered in his first letter to the power companies was an amount equal to the 50 per cent of the federal corporate income tax for utilities, which Ottawa had recently agreed to turn over to the provinces (the amount the provincial treasury would lose under expropriation). Manning concluded with a veiled threat: "The Government of Alberta would prefer to have the programme, herein outlined, implemented by the present Companies but the development of

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<sup>36</sup>PAA, Acc. 83 333, Box 2, report to the Alberta Power Commission by Herbert Cottingham, 28 February 1947. It is interesting to note that the Farmers' Union of Alberta eventually learned of Cottingham's report and asked the Premier's office for a copy, only to be told it was "confidential"; PAA, Acc. 69 289, file 1615A, R. J. Bouthilier to E.C. Manning, 4 March 1950, and E. C. Manning to R. J. Bouthilier, 8 March 1950.

the Province has reached the stage where a comprehensive programme of rural electrification cannot longer be delayed "<sup>37</sup>

In negotiations beginning in the summer and continuing into the fall, the power companies accepted the pace of construction suggested in Manning's letter. However they made it clear they found the rate he proposed (at the Power Commission's suggestion) too low at a \$3.60 minimum net bill including 20 kilowatt hours, intended as it was to pay half the capital cost. Neither company wanted to pay any of the capital costs and this lay at the heart of their concerns. "It is the providing of the fifteen million dollars for rural distribution lines (exclusive of generation and transmission) that is the real problem," explained G. A. Caherty, president of Calgary Power. He proposed charging \$7.50 per connection as part of "the 'Springbank Plan' under which the farmers organize themselves into co-operatives to provide the capital cost of the rural distribution system and receive service at a correspondingly lower rate." Canadian Utilities wished to continue to build the cost into the monthly bill through a higher service charge. Though the government proposed subsidizing half of the capital costs, for political reasons neither company wanted to receive any subsidy and suggested it be paid to the farmers or their cooperatives.<sup>38</sup>

The civil servants who made up the Alberta Power Commission had little patience with these proposals and told Manning so.

The Companies make no commitments as to actual construction programmes but infer [sic] such will take place as and when possible and, incidentally, in areas profitable to themselves.

In neither of these proposals does the Alberta Power Commission see any particular benefit to the public of Alberta or practical suggestion for bringing speedily to the farmers of Alberta the benefits of rural electrification at reasonable rates.

The first proposal [by Calgary Power] is simply to sell power at a profitable rate and provide facilities at a figure which will safely cover costs at no risk throughout to the Company. The second proposal [by Canadian Utilities] takes responsibility for

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<sup>37</sup>PAA, Acc. 69 289, file 1347, W. D. King to E. C. Manning, 11 July 1947, E. C. Manning to G. A. Caherty, 11 July 1947.

<sup>38</sup>PAA, Acc. 69 289, file 1347, W. D. King (on behalf of the members of the Alberta Power Commission) to E. C. Manning, 22 October 1947, G. A. Caherty to E. C. Manning, 28 August 1947; PAA, Acc. 83.333, Box 1, "POWER SITUATION," 30 September 1947.

the capital cost but charges adequately for this in the rate and also sells power at a profitable figure

Citing Cottingham's report, the Commissioners concluded

If it is the desire of the Government to engage in expansion of distribution of electric energy throughout the Province, and with particular reference to the extension of rural electrification, it would be the view of your Commission that such a policy can best be carried out by taking over the existing facilities of the Power Companies and operating the same as an integrated unit as a Public Utility through the Alberta Power Commission <sup>39</sup>

Their recommendation, however, evinced no response from Manning and was never heard from again

Cottingham's and the commissioners' proposal were probably doomed from the start, given the orientation Manning's government had already announced for its post-war rehabilitation projects. In 1944, A J Hooke, the Provincial Secretary and chairman of the Rehabilitation Committee, rejected the notion of governments undertaking large-scale public works in an interview with Maclean's Magazine, because the taxation and borrowing they required would reduce purchasing power and deplete incomes

"Then," says Mr Hooke, "the Government, having assumed responsibility for maintaining 'full employment,' and industry being faced with a diminishing home market -- with all the dislocating consequences of uneconomic competition resulting from this condition -- and with Government controls and interference it is inevitable that the situation will develop with increasing momentum toward the stifling of private enterprise and the emergence of a socialistic state" <sup>40</sup>

In Manning's budget speech, delivered March 5, 1948, he made it clear his government would maintain a "pay-as-you go" budgetary policy, expanding "essential" public services without borrowing or increased taxation. The policy was "designed to safeguard the people of the Province from the re-occurrence in future years of the unhappy

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<sup>39</sup>PAA, Acc. 69.289, file 1347, W.D. King (on behalf of the members of the Alberta Power Commission) to E.C. Manning, 22 October 1947.

<sup>40</sup>H N Moore, "Design for the Future," Maclean's Magazine, vol. 57 (1 December 1944), p. 43.

experiences of the past," when governments had borrowed heavily for expensive projects <sup>41</sup>

Moreover, in 1947 the government made it clear to Calgary Power it had no intention of taking over the company. That year the federal and provincial governments signed an agreement recognizing water rights as a part of the powers granted to Alberta in the 1930 Natural Resources Transfer Act and giving it full jurisdiction over hydro-electric development. The federal operating license Calgary Power had received in 1929 for dams on the Bow River had given the government the right to buy the plant when the license expired in 1980 and the 1947 agreement transferred that right to the province. In fact, the right to buy the dams was more of an obligation, which ensured the company and its investors that Calgary Power would not be saddled with them should their license not be renewed. But the possibility of exercising that right immediately was never raised in the discussions on rural electrification, nor is there even any indication the members of the Power Commission were aware of it.<sup>42</sup>

The negotiation process which led to Alberta's rural electrification program bears a striking resemblance to the means for dealing with social problems which Manning would propose two decades later in his political manifesto calling for "social conservatism" Political Realignment: A Challenge to Thoughtful Canadians. In that work, Manning expressed the belief that the development of human resources should be the ultimate goal of physical resources development.

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<sup>41</sup>Alberta, Legislative Assembly, Budget Speech of the Hon Ernest C Manning, Treasurer of the Province of Alberta, 1948, p 19

<sup>42</sup>Edmonton Journal, 30 September 1972. Documentation of this entire issue is strikingly absent from the Premier's Papers in the Provincial Archives for the late 1940s. In 1960, the provincial government gave Calgary Power a 20-year extension on its operating licenses and added a clause that obliged the province to buy all the company's assets at market price should the licenses not be renewed, PAA, Sessional Papers, Acc 73 51, Item 239, "Memorandum of agreement - 1 June 1960 - between the Province of Alberta and Calgary Power Ltd." In 1972 the new Conservative government cancelled the obligation in a bilateral agreement, but not before having caused considerable confusion about a purported "secret" 1947 agreement to buy Calgary Power by the year 2000; Edmonton Journal, 29 September 1972.

and conceded that the concentration on physical resources as an end in themselves constituted a failing of contemporary society. But since he saw physical resources as the private sector's rightful preserve, his solution was to encourage its social concern and action through the "Request for Proposal" program. Under R F P , adapted from the American aerospace program, the government would set goals for social programs such as daycare or housing, and then invite tenders for carrying them out. The government would monitor and coordinate results, but the implementation would be left entirely to the private sector. Manning himself sees the negotiations for rural electrification as differing from R F P by the absence of open bids and the less specific nature of the program, but they were still marked by the ready assignment to the private sector of the duty for implementing a project with social rather than economic goals and by the reliance on the power companies for proposing the ways and means to carry it out <sup>43</sup>

It seems likely that the government's plans had been set by the time Manning brought down his 1948 budget, though no formal decision was recorded. Calgary Power's superintendent of rural electrification, F.T. Gale, wrote to King in December 1947, unsuccessfully asking for the Power Commission's approval of their projects, since he had "gained the impression from our conversation [of November 18] that you favored the principle of distributing electricity through farm Co-operative Associations," though Manning had "intimated that our plan is not entirely satisfactory to the Government." Calgary Power had already sponsored the formation of seven rural electric cooperatives in 1947 and felt secure enough to sponsor 28 more by the end of September 1948, all of which were duly chartered by the province. By election day on August 17, 1948, three of them had received guarantees on their borrowing from the Provincial Treasurer worth \$92,937 60, another guarantee for \$8,800 was granted on August 19. However, Calgary Power remained apprehensive about a government takeover and in February 1948 took the precaution of organizing a subsidiary, Farm Electric Services Ltd , to take complete

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<sup>43</sup>Dennis G. Groh, "The Political Thought of Ernest Manning," (M.A. thesis, University of Calgary, 1970), pp. 74-75; interview with Ernest C. Manning by the author, 29 August 1986.

charge of rural service. The new subsidiary was designed to provide a smaller target should public ownership become unavoidable, leaving the rest of the company intact <sup>44</sup>

As the Social Credit government advanced towards an election, Manning displayed a shrewd vagueness regarding the future of rural electrification. Elmer Roper and Liberal leader Harper Prowse accused Manning of ignoring his promises of rural electrification, but he denied any change in policy. "The government is moving toward attainment of a province-wide system of rural electrification as rapidly as circumstances justify and it is in the interests of the people," he stated blandly. When challenged, Manning insisted the government had "a definite plan," but refused to describe it <sup>45</sup>

None of this eliminated rural electrification as a political issue. On the contrary, Manning received the following warning. In early December 1947 from H. R. Milner, president of Canadian Utilities:

I am not sure whether you know it, but I am told that at the recent meeting of the Alberta Wheat Pool there was a lot of kicking about the slow progress of the rural electrification development. I think that some of them realize the shortage of material and that there is no prospect of an immediate large development. However, some are very insistent that the Government should now commit itself to some policy even if it would have to remain in the wrapper for the next two or three years. I think this view is entitled to some weight and, from a political point of view, it might well be good policy to come to some decision and make some announcement well in advance of the next provincial election. Rural electrification could be made a very live issue <sup>46</sup>

Manning, however, chose a very different tactic when he called the provincial election in late July 1948. In his radio broadcast which opened the campaign, Manning mentioned the benefits of rural electrification, as well as the argument over whether the production and

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<sup>44</sup>PAA, Acc. 69 289, file 1347, F. T. Gale to W. D. King, 6 December 1947; PAA, Department of Agriculture records, Acc. 12 302, Item 212, F. J. Fitzpatrick to David Ure, 22 September 1948, information on Calgary Power's intentions in setting up Farm Electric Services Ltd. from an interview with Douglas Gibson, its current manager, 21 August 1986.

<sup>45</sup>Edmonton Journal, 17 and 18 March 1948. The Independents had been reborn as the Liberal Party after the 1944 election.

<sup>46</sup>PAA, Acc. 69.289, file 1347, H. R. Milner to E. C. Manning, 5 December 1947.

distribution would be better carried out by private companies or a provincial Power Commission. "This is a matter in which the Government feels the people should be given an opportunity to express their will," he explained and proceeded to announce a plebiscite in which voters would be asked to choose

The plebiscite asked Albertans the following question:

Do you favour the generation and distribution of electricity being continued by the Power Companies as at present?

OR

Do you favour the generation and distribution of electricity being made a publicly-owned utility administered by the Alberta Power Commission?

Mark the figure "1" next to your choice.<sup>47</sup>

Several years later, a former legislature reporter explained the strategy succinctly.

In 1948 there was a strong demand for Government ownership of electric power facilities and an expanded program of rural electrification [ ] It was something that amounted to an issue. Manning killed it quickly by calling a plebiscite.

Manning explains the decision to hold it as follows

You could get a consensus among the utility people, the cities that had had experience in the electric energy, but as I say you had a - it was made a political issue by the CCF and it didn't make one iota of difference what figures you produced, or how many studies you had, you never got anywhere because they just kept saying, We want public ownership period. So our conclusion was -- it wasn't a big deal, it was only one of a dozen things that we were working on at the same time -- but we were pretty well satisfied that the public of Alberta would not support public ownership of power, we'd been saying that repeatedly for years and we thought, Now let's get it confirmed one way or the other and then as far as we're concerned that's it

Few other topics drew much attention during the late summer campaign: Social Credit promised to continue to expand oil production and spend

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<sup>47</sup>"Confidence in Election Manifesto," Canadian Social Crediter, 29 July 1948, the text of the question is given in the government's brochure, in PAA, Acc. 68.74, Item 225, "Electrifying Alberta, There Are Two Alternatives... Yours Is The Choice." This is the only copy of the government's brochure which could be located at the Provincial Archives of Alberta, the fact that it was in the private papers of a former MLA, not any government records, suggests its distribution was fairly limited.

the revenues from leases and royalties on agricultural services, public health, social welfare, education and roads, which left the opposition parties to argue over which programs most deserved the money and how they should be implemented <sup>48</sup>

Manning declared himself neutral in the plebiscite campaign and gave speeches across the province listing the advantages and disadvantages of both public and private ownership. His central message, however, was that the number of farms which could be electrified, which he estimated to be not more than one-third of the total, would be no different under public ownership than private because of technical factors. To this he would add a comparison of statistics: Manitoba's Power Commission served 4,670 farms after 12 years of effort, four years after public ownership, Saskatchewan's served only 700, Alberta's private utilities already served 3,370 farms, would connect 1,700 the next year and had ordered equipment for 2,500 more in 1950. Manning added. "Cost involved in government purchase of power facilities already in existence, plus expansion of facilities and distribution of electricity would certainly involve a good many millions of dollars." Finally, he pointed out that taxpayers, rather than the utilities' shareholders, would have to bear "the enormous debt load" and the consequences of any losses. Manning's exposition of the problem would make it hard for his listeners to see why, all things presumably being equal, the taxpayers would want to take the risk and hard to

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<sup>48</sup>Andrew Snaddon, "Alberta's Manning: Solidarity and Success," Saturday Night, vol. 68 (31 January 1953), p. 21; Edmonton Journal, 26 July 1948; Ibid., 28 July 1948. An independent report by Charlotte Whitton in 1947 had described the social welfare system as being in "a chaotic situation, with relief given arbitrarily by the municipalities," while the municipalities themselves demanded greater provincial government support for unemployment relief, housing and education. The province took over more of the costs and increased the welfare budget in 1949, but it would be difficult to say these issues dominated the 1948 election campaign in any way. Leslie Bella, "Social Welfare and Social Credit, The Administrators' Contribution to Alberta's Provincial Welfare State," Canadian Social Work Review, (1986), p. 87, Alvin Finkel, "Social Credit and the Cities," Alberta History, vol. 34 (1986), pp. 21-23.



disagree with his assessment that the private utilites "seem[ed] to being doing a more efficient job" than would a public corporation.<sup>49</sup>

The CCF viewed it as simply a vote on rural electrification but, rather than campaigning for public power as well as for election, chose to criticize the plebiscite itself. Roper continued to promise immediate establishment of a publicly-owned provincial utility and the "extension of electrical power service to as many rural areas as possible," at no cost to the farmer. But the party declared at the very outset of the campaign "The board [of the Alberta CCF] does not believe it is fair to have the rural electrification issue decided by those who have no direct interest in getting electricity into the farm homes." This allowed Manning to reply that the CCF was opposed to the plebiscite "because their idea of democracy is to shove things down the public's throat." The Liberals, in keeping with their urban focus, concentrated on the issues of housing and municipal taxation and did their best to ignore the plebiscite, though they ambiguously promised rural voters an "agressive government policy of rural electrification."<sup>50</sup>

The plebiscite also extended the debate on the merits of a publicly-owned, provincial power company beyond political parties. Canadian Utilities conducted an intelligent advertising campaign in the form of editorials, one of whose titles actually reproduced word for word the cover of the leaflet the government had published to explain the plebiscite -- "Electrifying Alberta, There Are Two Alternatives! Yours is the Choice." In all of his speeches Manning had ignored the most important element in deciding the plebiscite's outcome, but

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<sup>49</sup>Calgary Albertan, 14 August 1948; Lethbridge Herald, 13 August 1948, Edmonton Journal, 14 August 1948; Regina Leader-Post, 14 August 1948. Receiving much less publicity, Roper protested that the manager of the Manitoba Power Commission reported 7,400 farms served and the government's own statistics later listed 5,694; see Table VI, supra.

<sup>50</sup>Interview with Ernest C. Manning by the author, 29 August 1986, Regina Leader-Post, 14 August 1948, provincial board of the CCF cited in Edmonton Journal, 26 July 1948; Manning quoted in Calgary Albertan, 14 August 1948; for the Liberal's major campaign issues, see Edmonton Journal, 26 July 1948, quotation from a Liberal Party advertisement in Cardston News, 12 August 1948.

Canadian Utilities was much more forthright. The company described a decision in favour of public power as a vote for "buying out the existing power companies and all municipal power plants." Even more menacingly, it pointed out: "A scheme as suggested is of tremendous interest to all as the costs will be distributed over both the urban and rural users and any deficit paid as a tax. Think this over!" In case anyone had missed the point, another advertisement reminded Albertans that "our experience with the rural telephone system should not be forgotten." The issue which would ultimately decide the plebiscite was neither ideological, nor even primarily the health of the province's finances, but the fundamental question of urban-rural cross-subsidization.<sup>51</sup>

The issue was especially obvious since the generation and distribution of electricity in Alberta was not conducted only by private power companies: the largest towns and cities all ran their own municipal power systems. Municipally-owned, fuel-burning steam plants furnished 34.9 per cent of all the power generating capacity in the province as of 1941, most of which was accounted for by power plants in Edmonton, Lethbridge and Medicine Hat. In addition, Calgary and the Lacombe operated small hydro-electric plants and a number of other cities and towns bought power from the private companies and distributed it themselves, including Calgary, Red Deer, Ponoka and Cardston.<sup>52</sup>

Municipal politicians were quick to perceive the danger a provincially-owned utility might pose to their own systems. The charge was led by Alderman Ogilvie of Edmonton who, in mid-campaign, introduced a resolution at the city council to "take all proper steps to prevent the taking over" of the city's facilities and recommended that

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<sup>51</sup>Canadian Utilities used two different advertisements, both of which were published in the Hanna Herald, 12 August 1948. Calgary Power seems to have remained aloof from the campaign, while Northland Utilities, (serving only 3,800 customers in Jasper, the Peace River country, and a handful of other towns and villages in northern Alberta) also published advertisements, boasting of the 80 farms which it had provided with electric service since 1945 and concluding, "It is a record that merits your vote in favour of the retention of Private Management of Electric Service in Alberta"; Fairview Post, 11 August 1948.

<sup>52</sup>Alberta, Alberta Power Commission, Annual Report, 1951, pp. 8-13.

Edmontonians, "regardless of party affiliation, vote against provincial ownership." Manning replied that, in the event of a vote in favour of public power, "anything in the foreseeable future would concern only the progressive negotiation for purchase of privately owned plants and systems, and their extension, particularly in the rural areas " But Edmonton's aldermen were probably more impressed by Ogilvie's point that the loss of the \$687,690 in profits the power system had earned in 1947 would lead directly to an increase in property taxes, and voted in favour of the resolution.<sup>53</sup>

Edmonton forwarded copies of its resolution to all the Alberta municipalities operating power systems. Medicine Hat's city council was so concerned about the matter that it held a special session to endorse it and authorized an extensive advertising campaign calling on its citizens to vote for the status quo. What was more remarkable was that John L. Robinson, MLA for Medicine Hat and the minister responsible for the Power Commission, fully endorsed the council's position the very next day, and vowed to fight to preserve municipal control regardless of the plebiscite's outcome. In so doing, Robinson did nothing to deny Mayor Rae's statement that "an authoritative source" had told him the municipal plants would be expropriated. In its advertising, the City of Medicine Hat admitted there was "no clear-cut pronouncement on the issue" but said it was "reasonably certain" its utility would eventually be expropriated: "Under provincial management the profits and taxes earned by the utility would naturally go to the provincial commission and to the benefit of rural dwellers living across the great breadth of the province."<sup>54</sup>

The province's newspapers also weighed in on the side of the power companies. The editorialists echoed Manning in praising their efforts to provide rural electrification and asked readers why they should incur the higher taxes which they maintained public ownership would entail

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<sup>53</sup>Edmonton Journal, 7 August 1948.

<sup>54</sup>Medicine Hat News, 13 August 1948; Ibid., 14 August 1948; Ibid., 16 August 1948.

with the notable exception of the Edmonton Journal.<sup>55</sup> On the other hand, a week before the vote, the Journal published a lengthy text by R.G. Reid, the former treasurer and the last premier under the UFA government. "I was one of those charged with the responsibility of cleaning up the aftermath of two adventures into public ownership, the government railways and the rural section of the provincial telephone system," he pointed out, to justify his intervention. While he claimed it had "not been [his] intention to advance arguments either for or against the government's taking over the field of generation and distribution of electricity," he referred ominously to a "heavy annual drain on our taxpayers," paid for by all, but benefitting only the farms which received service.<sup>56</sup>

In the dying days of the campaign, an emergency meeting was called to form a lobby of rural electric customers in favour of private ownership. The Alberta Rural Electrification Association sprang into existence on 24 hours' notice and took a position opposing public ownership. Its president, Nick Shandro, was a member of the committee of farmers which had cooperated in setting up Canadian Utilities' third rural electrification project at Willingdon and most of the other 11 delegates were from areas which had recently received power from the company. Since the A.R.E.A. met only once more after the election, it is hard to believe it was much more than a publicity stunt organized by the power companies. It does, however, point out the silence of the organized farm movement, whose views on the plebiscite never appeared in the newspapers, whether by design or due to systematic exclusion.<sup>57</sup>

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<sup>55</sup>Editorials in: Calgary Herald, 14 August 1948; Calgary Albertan, 14 August 1948; Cardston News, 12 August 1948; Wainwright Star, 4 August 1948; Bonnyville Tribune, 11 August 1948; Edmonton Journal, 5 and 9 August 1948.

<sup>56</sup>R.G. Reid, "Costs of Rural Electrification," Edmonton Journal, 11 August 1948.

<sup>57</sup>Edmonton Journal, 14 August 1948; Shandro was identified in an article on Willingdon, in Ibid., 6 September 1946; other areas electrified by Canadian Utilities which sent delegates were Stettler, Swalwell, Drumheller, and Ponoka. The A.R.E.A. renamed itself the Associated Rural Power Consumers of Alberta at a meeting in January 1949 (at the government's request apparently) and announced great plans to represent rural electric customers, but it showed no subsequent signs of

The results of the provincial election of 1948 were of the sort for which Alberta is renowned: as in 1944, Social Credit carried 51 of the 57 seats, with one more going to an orthodox Douglassite who had been expelled from the caucus but ran as an Independent Social Crediter. The Liberals carried two seats, rather than the three won by their predecessors, the Independents; the CCF re-elected its two-member caucus. For the second time in a row, both opposition parties elected members only in Edmonton and Calgary, multi-member ridings which voted under a system of proportional representation. Social Credit's share of the popular vote actually increased by 3.75 per cent to 55.6 (not including the one per cent received by three Independent Social Credit candidates), and in spite of its caucus losing a member, the Liberals also increased their share of the popular vote, by 1.2 per cent.

The real losers of the election were the parties of the left: the CCF declined from 24.9 to 19.1 per cent of the vote, in spite of much less competition from the Labour-Progressive (i.e., Communist) Party. In 1944, results in three rural seats and one in the Crowsnest Pass mining region would have spelled victory for the CCF, had they been combined with the LPP's vote. In 1948 the CCF lost all three rural ridings, despite the absence of LPP candidates, while in the riding of Pincher Creek-Crowsnest the LPP and CCF placed third and fourth, respectively. The Labour Progressives's 30 candidates (and an allied representative of "Labour United") had received 4.9 per cent of the popular vote in 1944, but in 1948 the party presented only two candidates and received 0.5 per cent of the vote. Clearly, Social Credit had succeeded in winning back the support of tens of thousands of erstwhile war-time supporters of socialism, and particularly in rural areas.<sup>58</sup>

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existence; Red Deer Advocate, 13 January 1949. (See also the exchange of letters between N.A. Shandro and E.C. Manning, PAA, Acc. 69 289, file 1615A, 14 and 28 September 1948.) A year later the Alberta Union of Rural Electrification Associations was formed by a very different group of farmers, including Henry Young, president of the AFU. In August 1948, Young was otherwise occupied as CCF candidate in his home riding of Wetaskiwin.

<sup>58</sup>Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), pp. 14, 61-69; on the four near-wins, see Alvin Finkel, "Obscure Origins: The Confused Early History of the

Though electoral support for the left had already moved into a secular decline across Canada by the late 1940s, the importance of the plebiscite in giving Social Credit such a decisive victory should not be underrated. In his analysis of party politics in Alberta, C.B. Macpherson concluded that the entrenchment of Social Credit represented a "quasi-party" system of "plebiscitary democracy."

Democracy [under Social Credit] is defined as the freedom of individuals, separately, not collectively, to take or leave what is offered to them [. ] The individual voter has no say as to what is to be offered for him to take or leave; that is arranged for him by those who preside over the general will.

Macpherson further described the plebiscitarian system as "a way of covering over class tension which can neither be adequately moderated by party nor be resolved short of an outright totalitarian rule"<sup>59</sup> However, the issue of rural electrification aroused major divisions in Albertan society: those between urban and rural dwellers, and between farmers and monopoly capital, while an obligation to choose sides was thrust firmly at the provincial government. When the reporter wrote that Manning used the power plebiscite to kill "something that amounted to an issue," he was indirectly pointing out that the premier had restored the general election to a plebiscite on the quality of public administration in Alberta. The voters' views on the election's most important issue did not need to affect their choice. In an expanding economy and an increasingly depoliticized society, with a respected leader, a scandal-free record, and large, recent increases in spending on social programs and public works, the success of Social Credit was all but a foregone conclusion<sup>60</sup>

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Alberta CCF," in J. William Brennan, ed., "Building the Co-operative Commonwealth"; Essays on the Democratic Socialist Tradition in Canada, (Regina, 1984), p. 112

<sup>59</sup>C B Macpherson, Democracy in Alberta: Social Credit and the Party System, (Toronto, 1962), p. 7.

<sup>60</sup>Eric J. Hanson, "A Financial History of Alberta, 1905-1950," (Ph D. thesis, Clark University, 1952), Table 116, "Expenditures of the Government of Alberta, 1936-1951, According to Functions," p. 180, and Table 129, "Average Money and Real Income Per Capita in Alberta for Economic Periods since 1906," p. 543. The first of these tables shows that social expenditures almost doubled between 1944 and 1948, with a particular increase from 1947 to 1948; similarly, spending on highways

The plebiscite also, probably not entirely accidentally, simply left many voters confused. The clearest evidence for this is that almost one tenth of those who voted for a member of the legislature-- 30,531 voters out of 310,362 -- did not cast a ballot in the plebiscite. One correspondent told Manning, "dozens of people even in our small poll here did not know such a vote was being taken until they were handed a ballot yesterday" <sup>61</sup>

Shortly after election day, the press announced a victory for continued private ownership of electric utilities, by a margin of close to 9,000 votes. But in mid-November the government suddenly announced a very different set of official figures. Not including results from the Vermillion constituency, the vote was 138,259 for private ownership and 137,556 for ownership under the Alberta Power Commission, a difference of 703. Results for Vermillion were not announced immediately, officials explained, because its returning officer, a farmer named A R Stephenson, had never made an official count of plebiscite ballots, he told the Edmonton Journal two or three of his district returning officers had neglected to count them. Stephenson explained he could not produce an official count because the ballots had been forwarded to Edmonton, but on election night he had telephoned an unofficial total of

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-- one of the most reliable of Albertan political indicators -- grew from \$3 million in 1944 to \$7 million in 1947, and to \$13 million in 1948. According to the second table, average annual per capita income in Alberta grew from \$585 in the 1940-45 period, to \$940 in the 1945-50 period in constant dollars (from \$476 to \$576 calculated in 1936-39 dollars).

The conclusion of a letter from a farmer, asking Premier Manning what his government was going to do about rural electrification a few months before the election, demonstrates the opinion many Albertans had of him.

Well Mr Manning - I owe a lot of money & we all got haild [sic] bad last year -- and we all have lots of Beefs (Kicks) However - to the average man you are the whole Social Credit Party - and we know you are a square shooter - But Please make a break and say you are going to do something to help the farmer God Bless you

(PAA, Acc. 69.289, file 1615A, Ken Reid to E C. Manning, 14 March 1948 )

<sup>61</sup>PAA, Acc. 69 289, file 1615A, N J W. Archer to E.C Manning, 18 August 1948; E.C. Manning to N.J.W. Archer, 26 August 1948.

2,166 for public ownership to 1,418 for private ownership which, added to the incomplete total would have left public power the victor by 748 votes. Officials now told the press they would have to remove the ballots from the legislature vaults, sort out those cast in Vermillion and conduct an official count. Three days later, however, Stephenson was suddenly able to submit a revised total of 2,284 for public ownership to 1,732 for private ownership. The following Monday, Manning announced that Albertans had chosen private ownership by a margin of 151 votes 139,991 to 139,840.<sup>62</sup>

A few weeks later, CCF leader Elmer Roper publicly requested an official recount of the entire plebiscite, but the Premier refused. Manning wrote to Roper:

Assuming for the sake of argument the doubtful supposition that a recount could result in a narrow margin in favor of public ownership, you surely will agree that a margin of even a few hundred votes out of over 278,000 could by no stretch of the imagination be interpreted as a mandate sufficiently definite to justify the Government instituting a fundamental change in policy involving all the taxpayers of the Province in a financial obligation amounting to many millions of dollars.<sup>63</sup>

With that, the question of the plebiscite's irregular count sank forever from public view.

The results themselves are fairly easily understood, though the depth of analysis possible is limited by the fact that no poll by poll voting results are held in the Provincial Archives. Even the most cursory analysis reveals two major characteristics to the voting: the tendency to choose public ownership increased the further voters lived from the hydro-electric plants west of Calgary; in addition, urban-dwellers, even in towns and villages, were more likely to vote for the status quo, while the majority of farm voters chose public ownership. As Tables VII and VIII show, these characteristics reinforced each other: in the northern rural ridings, which voted for public power in a larger proportion than those in the south, a significantly larger

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<sup>62</sup>Edmonton Journal, 17 November 1948; Ibid., 22 November 1948.

<sup>63</sup>PAA, Acc. 69.289, file 1615A, E.C. Manning to E.E. Roper, 28 December 1948. In an interview with the author, 29 August 1986, Manning could not recall the circumstances surrounding Vermillion's haphazard count.



proportion of the population lived on farms.<sup>64</sup>

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<sup>64</sup>Plebiscite results are available only by constituency, PAA, Chief Electoral Officer Records, Acc. 71 138, Items 42, 44a, 44b, 45a, 45b, and 126. One riding, Beaver River, stands out as an exception to the north-south, rural-urban split; it voted 65.9 per cent in favour of the status quo, though all the neighbouring constituencies voted heavily in favour of public power. I was unable to find local newspaper coverage of the campaign and its boundaries make it difficult to compare to census data; I admit to being unable to explain the anomalous result in this riding.

TABLE VII  
 PLEBISCITE RESULTS COMPARED  
 WITH POPULATION CHARACTERISTICS (1946):  
 URBAN AND RURAL RIDINGS, NORTHERN AND SOUTHERN RIDINGS

	Private ownership vote          %		Urban+ pop.          %	Public ownership vote          %		Farm pop.          %
City* ridings	58,099	61.4	100.0	36,461	38.6	-
Non-city ridings	81,892	44.2	24.99	103,379	55.8	75.0
Northern** non-city ridings	30,637	37.9	12.9	50,198	62.1	66.3
Southern non-city ridings	51,255	49.1	25.8	53,181	50.9	54.4
Total	139,991	50.03	44.1	139,840	49.97	41.8

\*The only purely urban ridings were Calgary, Edmonton, Lethbridge, and Medicine Hat

\*\*Includes all of the ridings north of Edmonton, in whole or in part, with the addition of the Leduc riding, in order to coincide with Census Divisions 10 to 17.

+The 1946 Census defines urban as incorporated cities, towns and villages

Source: my calculations, based on Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), p. 185; Canada, Census of the Prairie Provinces, 1946, vol. 4, Table 22, p. 430-33

TABLE VIII  
PLEBISCITE RESULTS IN FOUR CENTRAL ALBERTA RIDINGS  
RURAL POLLS

	Private ownership		Public ownership	
	vote*	%	vote*	%
Camrose	726	35.5	1,321	64.5
Didsbury	1,090	54.1	890	44.9
Lacombe	853	32.0	1,815	68.0
<u>Wainwright</u>	<u>840</u>	<u>34.3</u>	<u>1,610</u>	<u>65.7</u>
Total	3,509	38.4	5,636	61.6

TOWNS & VILLAGES

	Private ownership		Public ownership	
	vote*	%	vote*	%
Camrose	1,570	50.2	1,559	49.8
Didsbury	1,379	66.0	678	33.0
Lacombe	1,101	57.4	817	42.6
<u>Wainwright</u>	<u>884</u>	<u>50.75</u>	<u>858</u>	<u>49.25</u>
Total	4,822	54.4	4,046	45.6

FINAL RESULTS (TOTAL)

	Private ownership		Public ownership	
	vote	%	vote	%
Camrose	2,164	42.8	2,893	57.2
Didsbury	2,360	60.0	1,573	40.0
Lacombe	1,994	43.3	2,608	56.7
<u>Wainwright</u>	<u>1,813</u>	<u>41.0</u>	<u>2,608</u>	<u>59.0</u>
Total	8,331	46.25	9,682	53.75

\*Preliminary results.

Source: My calculations, based on Camrose Canadian, 18 August 1948, Didsbury Pioneer, 25 August 1948; Lacombe Globe, 19 August 1948, Wainwright Star, 25 August 1948; Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), p. 185

TABLE IX  
SELECTED CHARACTERISTICS (1946) OF FOUR REGIONS  
COMPARED TO PLEBISCITE RESULTS

## CENSUS DIVISION 4

Okotoks-High River, Little Bow

Private power		Public power	
vote	%	vote	%
4,974	57.9	3,626	42.2
Urban pop.	%	Farm pop.	%
9,270	32.6	14,474	50.96
Avg farm size: 672.7 acres			
Avg. gross annual revenue per farm: \$4,573.95			
Farms with electric power			
total	%	supplied by	%
1946		power line	
735	18.4	252	6.3
1951			
1,935	54.6	1,213	34.2

## CENSUS DIVISION 6

Banff-Cochrane, Didsbury, Drumheller, Gleichen

Private power		Public power	
vote	%	vote	%
11,251	57.4	8,348	42.6
Urban pop.**	%	Farm pop.	%
11,598	20.2	28,050	48.8
Avg farm size: 522.35 acres			
Avg. gross annual revenue per farm: \$3,835.47			
Farms with electric power			
total	%	supplied by	%
1946		power line	
1,398	18.9	538	7.3
1951			
3,610	51.8	2,794	40.1

\*\*Not including Calgary.

## CENSUS DIVISIONS 5 and 7

Acadia-Coronation, Hand Hills, Sedgewick, Wainwright

Private power		Public power	
vote	%	vote	%
7,131	43.2	9,360	56.8
Urban pop.	%	Farm pop.	%
9,270	24.1	29,094	56.8

Avg. farm size: 815 4 acres

Avg. gross annual revenue per farm: \$1,941.04

Farms with electric power

total		supplied by	
1946	%	power line	%
486	5.1	57	0.6
1951			
1,488	18.7	344	4.6

## CENSUS DIVISION 10

Alexandra, Bruce, Vegreville, Vermillion, Willingdon

Private power		Public power	
vote	%	vote	%
6,799	35.8	12,211	64.2
Urban pop.	%	Farm pop.	%
9,371	18.1	37,801	72.9

Avg. farm size: 355.35 acres

Avg. gross annual revenue per farm: \$1,881.42

Farms with electric power

total		supplied by	
1946	%	power line	%
414	4.2	122	1.2
1951			
1,258	14.2	699	7.9

Source: My calculations, based on Canada, Census of the Prairie Provinces, 1946, vol. 4, Table 22, p. 430-33, Ibid., Table 32, p. 464-65; Canada, Census of Canada, 1951, vol. 6, Table 34, p. 24-1, Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), p. 185.

TABLE X

SUPPORT FOR SOCIAL CREDIT AND PRIVATE OWNERSHIP  
AND FOR THE CCF AND PUBLIC POWER COMPARED  
IN CERTAIN NON-CITY RIDINGS

SOCIAL CREDIT'S TEN BEST RIDINGS

Social Credit				Private ownership		
		vote	%	rank*	vote	%
1)	Red Deer	4,771	75.0	(9)	2,963	52.8
2)	Stettler	3,248	71.7	(7)	2,190	53.9
3)	Rocky Mountain House	3,582	68.9		2,210	45.6
4)	Olds	3,260	68.0	(5)	2,398	58.6
5)	Drumheller	2,982	67.3		1,862	47.6
6)	Hand Hills	2,773	67.2		1,759	44.95
7)	Okotoks-High River	3,876	65.0	(3)	3,321	61.2
8)	Cardston	1,981	64.9		1,268	46.0
9)	Taber	2,559	64.5		1,485	46.5
10)	Warner	1,691	64.2	(11)	1,265	51.3

\* For ridings in which the majority voted for private ownership, the ranking among all those 11 non-city ridings is indicated in brackets.

TABLE X

SUPPORT FOR SOCIAL CREDIT AND PRIVATE OWNERSHIP  
AND FOR THE CCF AND PUBLIC POWER COMPARED  
IN CERTAIN NON-CITY RIDINGS  
(continued)

## CCF'S TEN BEST RIDINGS

CCF		Public ownership				
		vote	%	rank**	vote	%
1)	Willingdon	1,861	45.5	(2)	2,716	71.8
2)	Redwater	1,528	37.9	(1)	2,743	77.3
3)	Lac Ste. Anne	1,558	32.4	(3)	3,061	71.1
4)	Vegreville	1,276	28.7	(6)	2,593	67.9
5)	Alexandra	1,190	28.6	(11)	2,298	63.0
6)	Spirit River	1,194	28.0	(5)	2,447	68.1
7)	St. Paul	1,510	27.1	(16)	2,741	58.5
8)	Rocky Mountain House	1,365	26.3	(26)	2,633	54.4
9)	Bruce	1,080	26.1	(12)	2,320	62.0
10)	Athabasca	1,226	25.5	(4)	3,077	70.9

\*\* In all ridings a majority voted for public ownership; the ranking among the 30 ridings in favour is indicated in brackets.

Source: Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), p. 185, 66-69.

MAP I

## ALBERTA ELECTORAL DIVISIONS, 1948



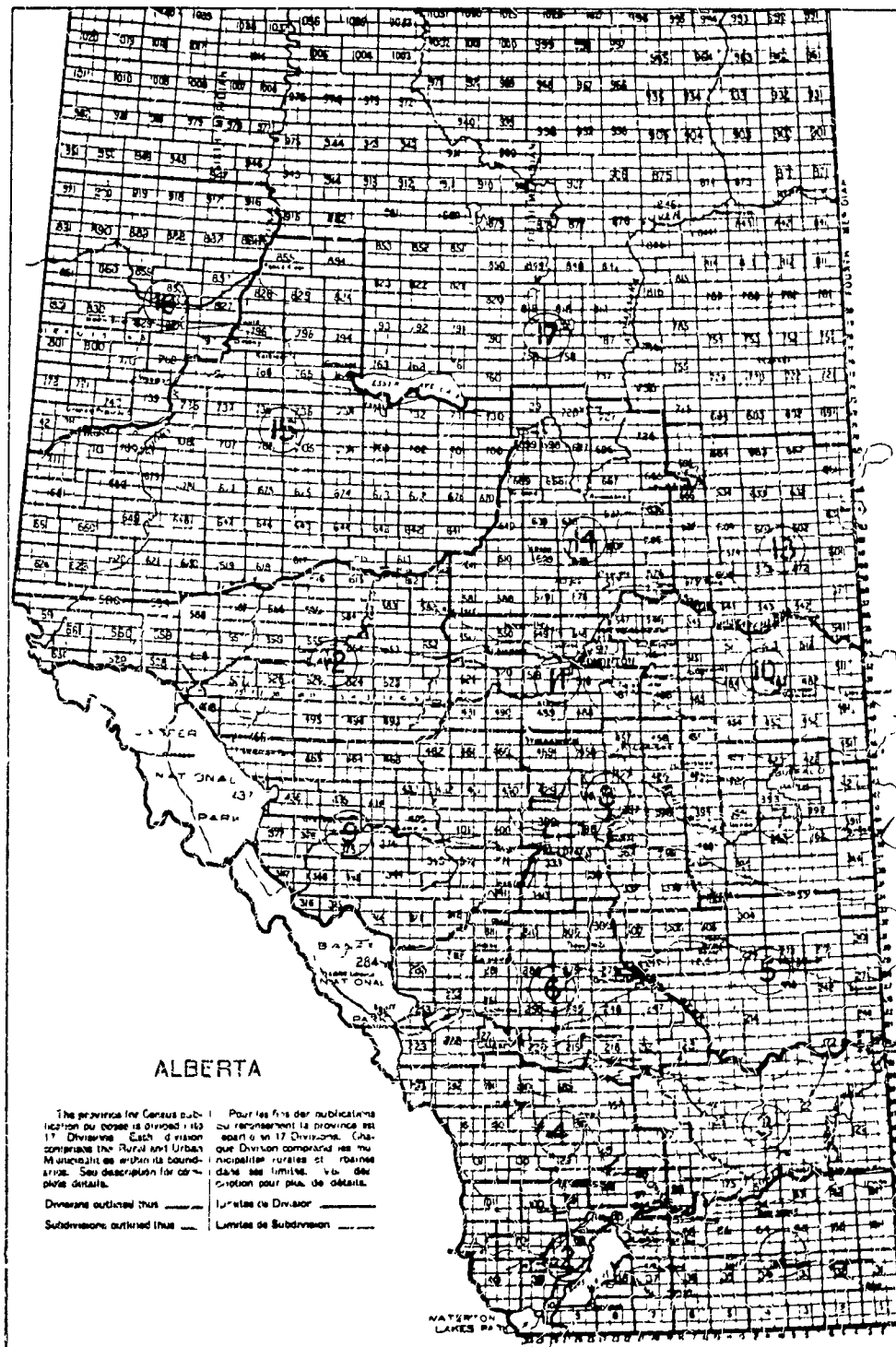
\* Non-city riding in which the majority voted for private ownership.

Source: Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), p. 70.



## MAP II

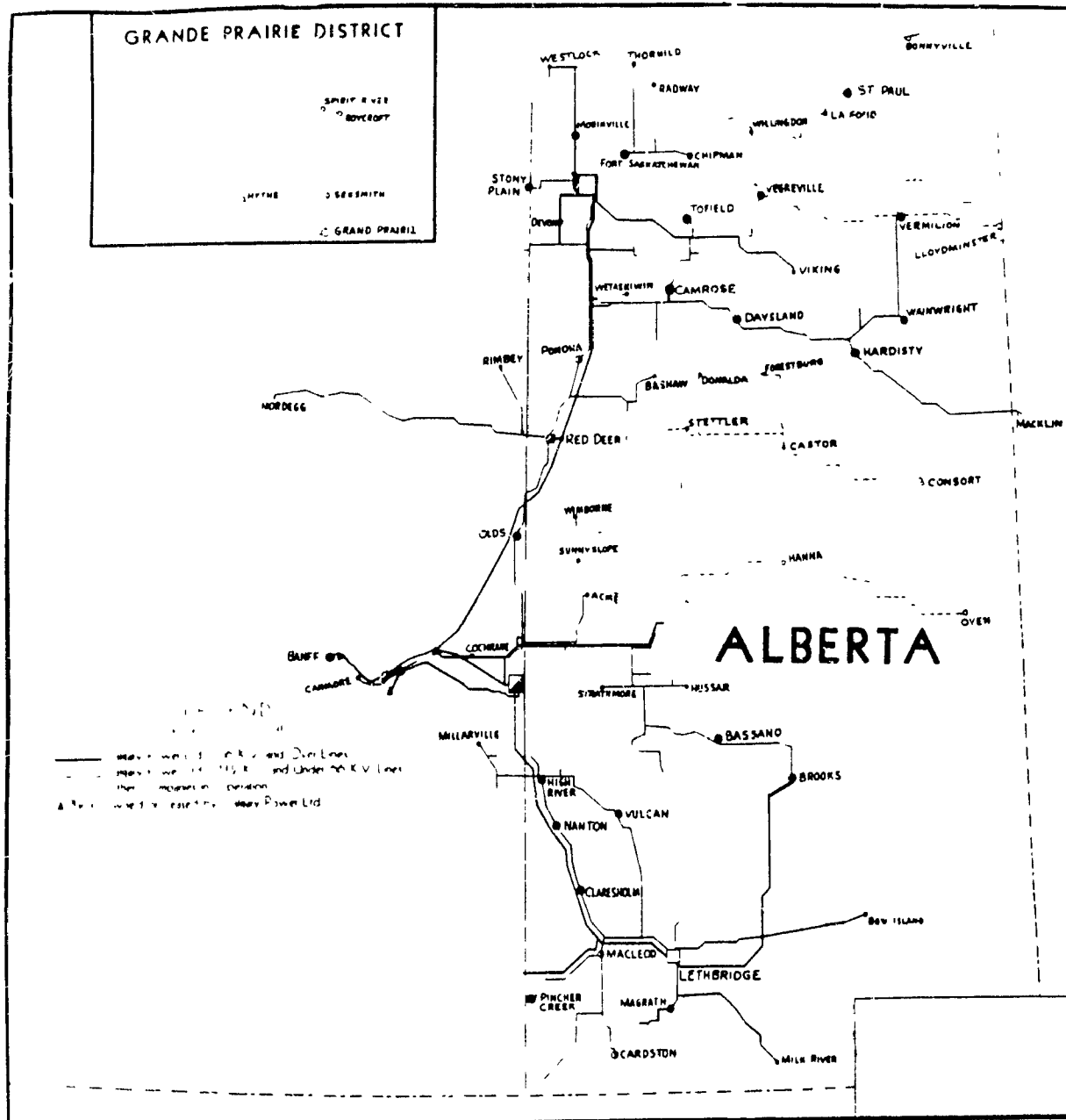
## ALBERTA CENSUS DIVISIONS, 1946



Source: Canada, Census of Canada, 1941.

## MAP III

## ALBERTA POWER LINE NETWORKS, 1950



Source: The Country Guide Merchandising and Research Division, "Rural Electrification in Manitoba, Saskatchewan, and Alberta; The Results of a Survey Conducted Midsummer of 1950," p. 9 (held in PAA, Alberta Power Commission Records, Acc. 83.333, Box 1).

Rural and urban differences in support for public power, however, could sometimes be more a matter of degree than kind. Table IX shows that the majority of farmers also voted for private power in the Didsbury riding, one of only 11 rural ridings which supported it, though they did so to a lesser extent. Incomplete preliminary results for Okotoks-High River, which voted for private control by 61.2 per cent, show 52.0 per cent support in rural polls, compared to 71.4 in the towns and villages. On the other hand, in the Red Deer riding, which chose private power by only 52.8 per cent, incomplete preliminary results for only the Delburne area (east of the city of Red Deer) show rural polls chose government control by a 52.7 per cent margin. Since the city of Red Deer's 2,683 inhabitants over the age of 20 amounted to 39.5 per cent of the eligible voters, it seems likely the riding's farmers cast their ballots like those in ridings to their north, but were outnumbered by urban-dwellers.<sup>65</sup>

The contrast between rural results in Red Deer and Okotoks-High River, like the broader comparisons given in Table X,<sup>66</sup> show the importance of region in determining support for public power. North-south divisions in Alberta voting patterns date back to the earliest elections, but the split revealed in the plebiscite has another explanation. A comparison of Maps I and III shows that the ridings

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<sup>65</sup>High River Times, 19 August 1948; Delburne Times, 19 August 1948; the figure on Red Deer's population is from Canada, Census of the Prairie Provinces, 1946, vol. 1, Table 21, "Population by age groups for census subdivisions, 1946," p. 512; in comparing the figure to the number of eligible voters given in Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, p. 68, all those over 20 are assumed to have been citizens. For this analysis and for Table IX, the separation of rural from urban polls (i.e., towns and villages) was based on a comparison of the names given to the polls with the designations given in Canada, Census of the Prairie Provinces, 1946, vol. 1, Table 21, "Population by age groups for census subdivisions, 1946," pp. 509-515.

<sup>66</sup>For the regions in Table X, I have grouped together those ridings which correspond easily to Census Divisions, in order to provide points of comparison beyond the voting results. For the rest of central and northern Alberta, the attempt to match electoral to census divisions would have created regions without anything else in common (combining the Peace River country with Edmonton's milk shed, or coal mining communities with the mixed farms around Camrose and Wetaskiwin, for example).

which voted most heavily for private power were also those closest to Calgary Power's five hydro-electric plants on the Bow River. By contrast, all of the customers of Canadian and Northland Utilities in the east and north were served by diesel, coal-, and gas-fired steam plants. Therefore, the further Albertans lived from the source of the Bow River, the more they knew they would pay for their electricity and the more attractive the new rate structure of an integrated provincial system would seem to them.<sup>67</sup>

In addition, the further away Albertans were from Calgary Power's hydro-electric plants, the less likely even those in the towns were to have electric service: in 1941, outside of Edmonton, only 41.5 per cent of non-farm homes in northern Alberta had electric lights, while in the area surrounding Calgary the rate was already close to 80 per cent. Those furthest away from the network of transmission lines were the most inclined to vote for public power in the plebiscite: five of the ten ridings with the highest vote in favour (Lac Ste. Anne, Athabasca, Spirit River, Grouard, and Edson) were entirely outside of the area of existing lines and all voted more than 66 per cent in favour of public ownership. Two others, the Redwater and Willingdon ridings, covered an area for which Stewart's report had indicated only 52.6 per cent of farms lay within the required 12 miles of existing transmission lines, and they registered the highest vote for public power, at 77.3 and 71.8 per cent respectively. However, distance seems to have been a greater factor in the voting than proximity: while all the rural ridings around Calgary voted for continued private ownership and Stewart indicated that more than 95 per cent of the region's farms were within 12 miles of the power lines, all the ridings surrounding Edmonton voted for public power though 99.5 per cent of the farms in a 25-mile radius of that city were just as close to the lines.<sup>68</sup>

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<sup>67</sup>On patterns in Alberta voting, see Thomas Flanagan, "Stability and Change in Alberta Provincial Elections," Alberta History, vol. 21 (1973), pp. 1-8; on Alberta's power grid, see Canada, Dominion Bureau of Statistics, The Canada Yearbook, 1948-49, pp. 512-13.

<sup>68</sup>My calculations, based on the figures on non-farm electrification in the five ridings north of the North Saskatchewan River and for the Bow River and Macleod ridings near Calgary, from Canada, Census of

The figures in Table X on electrification provide striking justification for the pessimism of most rural ridings, as well as for the southern ridings' optimism regarding the power companies. Three years after the plebiscite, more than a third of the farms in two regions around the Bow River had power, while in the regions to the east and north, not even one in ten had been connected. In the province as a whole, only 16.9 per cent of farms received electricity from transmission lines in 1951. The most cogent analysis of the result may have been by a reporter who wrote: "The conclusion to be drawn seems to be that Alberta electors want rural electrification, but are not so deeply concerned about how, or by whom, as they are about getting it quickly."<sup>69</sup>

Manning's success in disassociating Social Credit from voters' opinions on rural electrification is demonstrated in Table XI. half of Social Credit's ten strongest rural ridings had voted for public power, though the Premier's opposition to it was an open secret. On election night, Roper revealed a certain naiveté in face of Manning's strategy when he said to supporters: "What I cannot understand is why the people voted for public ownership on the electrification plebiscite and rejected the only party that stands for public ownership." Nevertheless, the CCF's ten best results were all in rural ridings which had supported public power, and the ridings with the three best results for both coincided. This coincidence can of course be explained by the CCF's success in identifying itself with the idea of rural electrification through a publicly-owned utility. But it was also due to the genuine coincidence that the least affluent and most left-wing

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Canada, 1941, vol. 9, Table 30, "Summary of housing and related data," pp. 152-53; Alberta, Chief Electoral Officer, A Report on Alberta based on Elections, 1905-1982, p. 185; my calculations, based on Andrew Stewart, "Rural Electrification in Alberta," vol. 1, Table 30, p. 83. Once again, Beaver River stands as a singular exception to this pattern: it was almost entirely outside of the potential service area, but had the highest rural vote in favour of private ownership.

<sup>69</sup>My calculations, based on Canada, Census of Canada, 1951, vol. 3, Table 36, "Occupied dwellings by tenure showing lighting, cooking and refrigeration facilities," pp. 35-36; W R. Clarke, "Alberta's Indecisive Voters," Regina Leader-Post, 21 December 1948.

farming districts -- home to smallholding, largely immigrant, mixed farmers -- were in an area supplied at high prices by Canadian Utilities (until 1948 by costly, diesel engine plants only) and, outside of the Peace River country, the furthest from the Bow River's hydroelectric plants. In particular, Vegreville and Willingdon were among the ridings the CCF might have won without the LPP's competition in 1944. In 1952, the party elected only party leader Elmer Roper in Edmonton and Nick Dushenski in Willingdon, in 1955, Roper lost in Edmonton, but Dushenski was reelected, and Stanley Ruzycki carried Vegreville for the CCF.<sup>70</sup>

Like generals who plan for battle by fighting the previous war again, the farm movement's leadership reacted to the plebiscite's results by calling for another one in 1949. Members of the AFU executive raised the call only weeks after the vote.

The recent plebiscite in Alberta is absolutely unsatisfactory to farm organizations. It was sprung at the last moment, after the election was called, during the farmers' busy season. There was neither time nor opportunity for the proper study and consideration. The power companies got out their propaganda, but not much was heard of the people's side ...

Now we have the intolerable situation that the farm people voted by a large majority for public ownership of hydro-electric power, but their votes were nullified and killed by the votes of people in Calgary, Lethbridge and Medicine Hat. ..

This question is not settled and another vote will have to be taken sooner or later. Next time let us see to it that the people know the facts, and then there will be no fear of the results.

In the following months, the position was also adopted by the UFA, the Alberta Association of Municipal Districts (the rural municipalities),

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<sup>70</sup>Roper quoted in Edmonton Journal, 18 August 1948; on Alberta's radical farmers, see David Monod, "The End of Agrarianism: The Fight for Farm Parity in Alberta and Saskatchewan, 1935-48," Labour/Le Travail, no. 16 (1985), pp. 117-144, Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, pp. 71, 75, 78, 80-81. In Table XI, the attentive reader may note the coincidence of one riding on both lists, pointing to the fact that in six of Social Credit's ten strongest ridings it faced only one other candidate. However, even extending the list by five more ridings (Macleod, Sedgewick, Didsbury, Gleichen, and the official and Independent Social Credit candidates' results combined in Banff-Cochrane) yields only eight rural ridings for private power out of the party's fifteen strongest.

and by the Alberta Federation of Agriculture, who all reconfirmed their belief in public power.<sup>71</sup>

As a strategy the call for a new plebiscite displayed either ignorance of recent population shifts or a great deal of optimism about the movement's power to persuade urban Albertans: the farm population was only 41.8 per cent of the province's total in 1946 and fell to 36.7 per cent by 1951. If the debate were again framed in terms of the advantages for farmers compared to the increased price for city-dwellers, the plebiscite would surely have been lost a second time. In February 1949, a farm delegation carried the AFA's view that the plebiscite results were inconclusive and rural electrification should proceed under public power to the provincial cabinet, but was told the government was satisfied with the performance of private enterprise.<sup>72</sup> After the defeat of public power at the polls, there could no longer be any doubt that, under Social Credit, rural electrification would take place on the power companies' terms.

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<sup>71</sup>Citation from "Broadcast - C.J.O.C. Lethbridge; August 31st, 1948," The A.F.U. Bulletin, vol. 8 (September 1948), pp. 20-21; PAA, Acc. 80.150, "Minutes of the 1948 Annual Meeting, A.F.A.," pp. 15-16.

<sup>72</sup>Alberta, Department of Agriculture, A Historical Series of Agricultural Statistics for Alberta, ([Edmonton, 1967?]), "Population, Farms, Occupied Land, Tenancy and Land Use," p. 134, PAA, Acc. 69.289, file 1906, "Resolution for Presentation to Provincial Cabinet by Alberta Farmer Organizations" 11 February 1949; the cabinet's reply from Edmonton Journal, 12 February 1949. In 1952, the CCF again took up the demand for a new plebiscite "on a date other than that of a provincial general election," as did the FUA in 1953, but otherwise, throughout the decade both simply pressed for public power, PAA, Acc. 69.289, file 1677, Notice of Motion by Elmer Roper, 25 February 1952, file 1907, Farmers' Union of Alberta, "Resolutions Passed at the Annual Convention," 1953.

## CHAPTER FOUR

THE ELECTRIFICATION OF RURAL ALBERTA  
AND THE RURAL ELECTRIFICATION ASSOCIATIONS, 1948-1959

The rural electrification program the Alberta government sponsored between 1948 and 1953 forced the province's farmers to spend enormous sums of money. In a special report to advertisers on rural electrification in the prairie provinces, the Merchandising and Research Division of The Country Guide confided:

The financial investment falls most heavily on Alberta farmers who have to pay the total cost of constructing power lines as well as wiring their farms and the purchase of appliances and equipment. Alberta farmers are making an average total investment of \$2,000 per farm, Saskatchewan farmers \$1,500 and Manitoba farmers \$1,000 per farm<sup>1</sup>

This was the result of their "ownership" of the power lines which served them, through the Rural Electric Association cooperatives farmers had to join to receive electric service.

In 1946 the government had amended the Co operative Marketing Associations Guarantee Act to allow up to half of rural electric cooperatives' capital borrowing to be guaranteed by the province, at a time when farmers near the cities were forming cooperatives on their own initiative, this provision became the government's principal legislative and financial tool for rural electrification. In the months following the plebiscite, the "Springbank Plan" Calgary Power had proposed to Premier Manning in the summer of 1947 was adopted by the other two utilities and received full government support. The Power Commission's role was now restricted to "maintaining a watching brief on the progress and development of the Power picture as worked out by the various private and municipally-owned companies." Significantly, after its chairman, W D. King, died in 1951, the man chosen to replace him was

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<sup>1</sup>Provincial Archives of Alberta (hereafter, PAA), Alberta Power Commission Records, Acc. 83.333, Box 1, The Country Guide, Merchandising and Research Division, "Rural Electrification in Manitoba, Saskatchewan, and Alberta; The Results of a Survey Conducted Midsummer of 1950."



James G. MacGregor, a businessman and former general manager of Canadian Utilities.<sup>2</sup>

Rural Electric Associations were formed by groups of approximately 100 farms each and their provisional boards of directors canvassed the area for applications and forwarded them to the power companies, which prepared an estimate of the probable average cost per member, usually around \$900 (This did not include the price of wiring to bring the power from the line to the farmyard, also paid by the farmer) The companies fixed a maximum length of line per farm (1 25 miles in the case of Calgary Power) and charged farms past that distance for "extra footage", though there was no discount for shorter distances Wealthier farmers sometimes made a higher payment, subsidizing poorer members and, as well, many farmers paid with their labour on the system's construction. The REA had to raise 50 per cent of the total cost in cash, usually through a minimum initial payment by all members, and took out a ten-year loan guaranteed by the government to pay the other half. The power companies' estimates usually proved too high but the surplus was not returned; it was credited to the individual farmer's account by Canadian Utilities, or added to the Deposit Reserve accounts which Calgary Power maintained for REAs. Occasionally, estimates proved too low and farmers had to make a second payment<sup>3</sup>

The entire arrangement, the power companies pointed out, provided farmers with power "at cost", but the argument was disingenuous: the distribution system was sold to farmers at cost, but electricity was sold for 2 cents per kilowatt hour, considerably more than its generating cost (an estimated 1/2 cent per kilowatt hour produced by

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<sup>2</sup>Alberta Power Commission, Annual Report, 1951, p 6, on MacGregor (also a well-known popular historian), see Edmonton Journal, 29 February 1952.

<sup>3</sup>George Mead, "Rural Electrification in Areas Adjacent to Alberta; A Survey made possible by the Bank of Montreal Canada Centennial Farm Leadership Award," [1967], p. 19; Glenbow-Alberta Institute (hereafter, GAI), Bow North Rural Electrification Association Papers, BB 7 B787, file 92, Calgary Power Company Limited, "Farm Electrification" mimeo, PAA, Acc. 83.333, Box 1, Calgary Power Ltd, "Farm Electrification in the Province of Alberta (as at March 1st, 1952)", H W Webber, "Historical Information on R.E.A.'s," 23 November 1976, p 7

steam, less for hydro-electricity). "Anyone who refuses to recognize that a profit is being made by the power companies is not being realistic," the Alberta Union of Rural Electrification Associations wrote, "for the last thing that we could find these companies guilty of is altruism."<sup>4</sup>

While Calgary Power's promotional material spoke of REAs gathering "to see if the estimated [construction] cost is acceptable to the majority," in fact their members had little choice. For instance, in January 1949 a representative of Calgary Power told a meeting of the West Didsbury REA which balked at the estimated average cost, "that the figure of \$800 was below the average of other provincial projects and cautioned the meeting about being too hasty in turning this one down, pointing out the fact that many projects were under way and others being organized and that it could possibly be eight or ten years before the present local project would again be considered." In April 1949, Calgary Power told the North Wainwright REA it was "prepared to start shipping in supplies and a survey party" almost immediately, at an average cost of \$973; if the REA refused this offer, it would have to wait until 1953. The membership reluctantly agreed, but over the next year only 25 farmers signed up and their deposits had to be refunded. At its 1950 annual meeting, the disheartened REA passed a resolution asking the government to hold another plebiscite on development of rural service by the Alberta Power Commission: they complained the cost was too high under private ownership.<sup>5</sup>

In 1955, a member of the Stry REA near Vegreville, informed his board of directors that electrical supply prices had decreased in 1954. Concerned its members might pay too much, the board agreed not to give the power company any money until "proven costs could show that it was

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<sup>4</sup>PAA, Acc. 83.333, Box 2, "A Brief to the Alberta Power Commission submitted by the Alberta Union of Rural Electrification Associations," March 1954

<sup>5</sup>PAA, Acc. 83.333, Box 1, Calgary Power Ltd., "Farm Electrification in the Province of Alberta (as at March 1st, 1952)," p. 6; Didsbury Pioneer, 19 January 1949; Wainwright Star-Chronicle, 6 April 1949, Ibid., 19 April 1950. In January 1951 the renamed Wainwright REA finally signed 71 members, surpassing its objective of 55 farms; Ibid., 31 January 1951.

required. However, when the executive received the cheque from the Co-operative Branch of the Provincial Government, accompanying it was a letter instructing that the full amount [must] be turned over to Canadian Utilities." The farmer called this an illustration of "how the boards of directors of the R.E.A.'s are made the Joe boys for the Power Companies and the Government."<sup>6</sup>

From the initial price of construction through every aspect of the operation of the REAs' electric systems, it was the companies which maintained the decision-making power. The master contract which all the REAs had to sign allowed the companies to refuse even individual memberships and applications for service. It required an REA to pay the company on demand for construction and for all maintenance of the system. The company also collected a monthly fee from members as a reserve with which to make these payments, and an operating charge (levied for the use of its transmission lines). The company was allowed to reimburse itself at will from these funds and to increase both fees as it saw fit.

Any potential for profitable operation of an electric system on the REA's territory was removed: members could not use the electricity "for any purpose whatsoever other than for farming operations on a bona fide farm or for domestic purposes in the farmstead", those who did became direct customers of the company. The company could use the REA's system at any time for service to its own customers on the territory (such as filling stations, country stores, or oil rigs) in return for a portion of the operating charges, it also had the right to buy any part of the system in order to do so, at its actual cost less depreciation (in practice, \$125 per customer). During the term of the agreement the REA could not dispose of any part of its system except to the company, and, should the agreement be terminated, could not sell any part of it to

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<sup>6</sup>F.M. (sic), "Another Angle On The Power Racket," The Organized Farmer, vol. 24 (June 1955), p. 24.

another party unless the company had already refused to buy it (also at cost less depreciation) <sup>7</sup>

The contract made any meaningful autonomous existence for the rural electrification associations impossible. When 75 delegates gathered in July 1950 to form the Alberta Union of Rural Electrification Associations, they ordered their new executive "to have the Master and Individual contracts studied and that contracts more favorable to the farm [sic] be prepared " At its first meeting with members of the Alberta Power Commission, in November 1950, the AUREA executive protested clause 14 (c), which gave the companies the right to purchase sections of the REAs' systems during the life of the agreement and clause 17, which allowed them to buy the systems in their entirety should the agreement be terminated. In particular, the AUREA wanted a rental charge to replace the \$125 the companies usually paid for taking over part of a line.<sup>8</sup>

It is characteristic of the balance of power between the AUREA, the companies and the Power Commission that this issue took four full years to resolve. While Commission members had initially suggested the companies could be persuaded to offer "an alternative rental agreement for areas who did not like the present agreement," Calgary Power's Farm Electric Services insisted the clause "must be retained in order that expansion not be stymied." Three consecutive annual meetings of

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<sup>7</sup>Copies of contract forms used by the power companies are in PAA, Acc. 83.333, Box 1, the three forms are almost identical. The imbalance in the relationship between REAs and power companies alienated potential supporters of the program. In late 1951, the Supervisor of Co-operative Activities reported a disagreement between an REA and the manager of Farm Electric Services Ltd. to his deputy minister: "Mr. Spencer [president of the Parkland REA] contends that if the Power Companies are permitted to lay down the rules and regulations for the operation of rural electrification, that many of those who believe that the present plan is good, may get the opinion that the members do not have very much say, but are compelled to follow the plan as interpreted and laid down by the Power Companies"; PAA, Acc. 83.333, Box 2, F.J. Fitzpatrick to J. E. Oberholtzer, 17 December 1951.

<sup>8</sup>PAA, Acc. 83.333, Box 2, minutes of the meeting of the Alberta Union of Rural Electrification Associations, 7 July 1950; minutes of meeting between the Alberta Power Commission and representatives of the Alberta Union of Rural Electrification Associations, 20 November 1950.

the AUREA (1951, 1952, and 1953) unanimously called for an alternative rental agreement.<sup>9</sup>

The REAs believed clause 14 (c) would make it impossible for them ever to buy power from a cheaper competing source and they maintained that they should derive the benefits from the lines they had paid to build: "If it were otherwise, the result would be that the farmers were subsidizing the operations of large corporations." But the Power Commission's new chairman sided with the companies and told the minister:

I cannot see why the R.E.A.s object to it except as a matter of pride. [...] They...seem to feel that the fact that the Power Company buys part of their lines may put them into a position eventually where the Power Company could make sure that at the end of ten years' agreement, it would not be possible for the R.E.A. to sign a contract with some other Power Company. This would not be possible in any case

Yet in a memorandum to the AUREA explaining his decision to maintain the present policy, MacGregor had hidden his conviction that its members would be tied to the power companies forever. He wrote: "We believe that the Power Companies are not making any attempt to purchase lines in such a manner as to isolate the R.E.A.'s from an alternative source of power in the future...."<sup>10</sup>

It is a tribute to the AUREA's persistence that after continued lobbying of the minister responsible, the Power Commission finally established a policy in November 1954 providing a rental of \$10.74 per year for \$125 worth of line, to be paid by the power companies to REAs who did not wish to sell off portions of their lines. The organization was not always so successful: delegates to the AUREA's 1955 convention asked that the power companies present a statement, "itemized, as

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<sup>9</sup>PAA, Acc. 83.333, Box 2, minutes of meeting between the Alberta Power Commission and representatives of the Alberta Union of Rural Electrification Associations, 20 November 1950, F T Gale to J G. MacGregor, 8 December 1952

<sup>10</sup>PAA, Acc. 83.333, Box 2, "A Brief to the Alberta Power Commission submitted by the Alberta Union of Rural Electrification Associations," March 1954; J.G. MacGregor to Hon. N.A. Willmore, 17 February 1954; MacGregor's memorandum on clause 14 (c) is titled "ALBERTA POWER COMMISSION" and dated 8 May 1953; J.G. MacGregor to C. Stauffer, 30 November 1954.

regards material, labor, etc , in order that the R.E.A. can ascertain how and where the operating and maintenance reserve fund is being spent " The Power Commission replied that the power companies were in the habit of simply dividing their total operating expenses by the number of farms served and charging each REA according to its membership, there would be no change in this procedure. "By combining the farmers in Alberta into what is in effect three large R.E.A.'s [corresponding to the three power companies], very definite savings have been made," the Commission explained. This reference to the REAs as unified administrative units was unusual, and characteristically arose in a situation where this "unity" gave them no bargaining power.<sup>11</sup>

It should be noted, moreover, that the AUREA was not a particularly radical organization it rejected motions in favour of public ownership at conventions in 1950, 1951, and 1956. From 1950 to 1955 and 1956 to 1964, the Social Credit MLA for Camrose, Chester Sayers, sat on its six-member board of directors, while FUA president Henry Young served only two terms before being defeated in 1952. While MacGregor chaired the Power Commission, the AUREA was restricted to the role of lobbyist, asking the Commission to intervene on its members' behalf with the power companies. In a note to the Minister early in his tenure, MacGregor admitted:

There is quite a definite feeling amongst the farmers that in the matter of farm electrification they are very much at the mercy of the Power Companies. The farmers know that the Power Companies are able to present their side of the case, but feel that at present there is no one to present the farmers' side. [...] I look upon the Union, therefore, as a safety valve.

Clearly, MacGregor was not interested in taking on the role of the farmers' defender himself. Rather, he stood on the side of the power companies, suggesting means to improve their program, while evaluating critically the legitimacy of the farmers' complaints against them. The

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<sup>11</sup>PAA, Acc. 83.333, Box 2, minutes of the AUREA Fifth Annual Meeting, 1955; "Reprint of Memorandum dated February 28, 1956, re Resolution No.11 of the [AUREA] Red Deer Meeting[, 1955]," 5 December 1960.

Power Commission's chairman was the government-assigned coordinator of the companies' unprofitable, but politically unavoidable, project <sup>12</sup>

Alberta's unusual program for rural electrification often invited comparisons: those who were critical compared it to the program in Manitoba, where the only construction cost paid by the farmer was for interior wiring and where electric service had reached 32 per cent of all farms by 1950. The Alberta government usually preferred comparisons with Saskatchewan, where farmers were expected to pay 60 per cent of the cost of construction up to the farmyard (usually between \$500 and \$600) and where the price per kilowatt hour was twice as high as in Alberta. "Everything belongs to the [Saskatchewan Power] Corporation and no part of the system belong [sic] to the farmers who supply most of the money," the Supervisor of Co-operative Activities, F. J. Fitzpatrick, pointed out to the president of the Lacombe REA. In addition, Saskatchewan's slow progress, showing only 4 per cent of farms electrified by 1950 (after five years of public ownership) seemed to show the wisdom of Alberta's approach which had electrified 16.9 per cent of all farms by 1951. In fact, comparisons to Saskatchewan were somewhat inappropriate, since the province had begun its program with a much smaller network of power lines and until 1964 relied exclusively on steam- and diesel-generated power, rather than the cheaper hydro-electricity Calgary Power could provide. Alberta had a smaller network and fewer sources of hydro-electricity than Manitoba, explaining its slower progress, but not the higher cost to farmers for electrification <sup>13</sup>

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<sup>12</sup>PAA, Acc. 83.333, Box 2, minutes of the meetings of the AUREA, 1950, 1952, 1953, 1955, and resolutions of the AUREA, 1956, Calgary Albertan, 9 July 1951; PAA, Acc. 83.333, Box 2, J. G. MacGregor to J. L. Robinson, 3 June 1951. Both the Power Commission and the Supervisor of Co-operative Activities worked to circumscribe the field of action of the AUREA and its members. In 1955, together they resolved to discourage REAs from paying honoraria to their executives, in 1957, MacGregor told the AUREA not to concern itself with the problems of farmers facing expropriation by the power companies for transmission lines; J. G. MacGregor to H. W. Webber, 25 May 1955, J. G. MacGregor to Albert Hansen, 8 March 1957.

<sup>13</sup>PAA, Acc. 83.333, Box 1, The Country Guide, Merchandising and Research Division, "Rural Electrification in Manitoba, Saskatchewan, and Alberta; The Results of a Survey Conducted Midsummer of 1950", Lois

The most intriguing comparison of Alberta's program, however, can be made with rural electrification in Quebec under the Union Nationale's postwar government. The pre-war program of electrification through the rural municipalities had given meager results, due in part to limited provincial funding, and seemed designed largely to respond to political pressure for nationalization of the power companies. In 1945, new measures were introduced to encourage the creation of rural electric cooperatives: through a Rural Electrification Office, the government offered cooperatives loans covering 75 or 85 per cent of the cost of line construction (depending on the number of customers per mile) and the free services of a staff of organizers, engineers, technicians, bookkeepers, agronomists, notaries and lawyers to help run them. Farmers paid an average of \$100 for their share in the remaining construction cost, but the government also paid the interest on loans they took out for wiring their homes and sold them appliances at cost (as the Manitoba Power Commission did for its rural customers).<sup>14</sup>

Since nothing in this plan prevented the province's private utilities from offering rural service, most cooperatives were formed in remote, unprofitable areas, such as the Gaspé, the Laurentians and Abitibi-Témiscamingue. But Quebec's cooperatives were much more independent than the Albertan REAs: covering large areas, some had more

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Volk, "The Social Effects of Rural Electrification in Saskatchewan," (M A thesis, University of Regina, 1980), p. 108; PAA, Acc. 83.333, Box 2, F J Fitzpatrick to John Henderson, 25 February 1952. Saskatchewan experimented briefly with both rural power districts, to assume some of the tasks related to construction and maintenance, and with electric cooperatives, which were to pay for and own their distribution system as in Alberta. Only three power districts and one cooperative were formed, however they were quickly found to be incompatible with a publicly-owned, province-wide utility and by 1951, the Saskatchewan was providing area coverage to farms and village customers on an individual basis. In the last eight years of the program, a steadily larger portion of the construction costs paid by farmers was lent to them by the Corporation and rates were also reduced; Lois Volk, "The Social Effects of Rural Electrification in Saskatchewan," pp. 81-83, 91, 94-95, 108-110, 199.

<sup>14</sup>Jean Blanchet, "L'électricité au service du cultivateur," L'Action nationale, vol. 31 (1948), pp. 374-76; Rodolphe Laplante, "L'électrification rurale dans le Québec," Revue trimestrielle canadienne, vol. 39 (1953), pp. 271-76.



than 3,000 members and many were able to combine energy bought from the private utilities with power they generated themselves with diesel motors or small hydro-electric plants. The program was also undeniably successful: from approximately 20 per cent in 1945, the proportion of Quebec farms with electric service climbed to 68 per cent by 1953, of which one third were served by cooperatives. As René Levesque, then Minister of Natural Resources, prepared the nationalization of both the power companies and the cooperatives in 1963, he offered the following analysis of the program.

Instead of forcing those providing a public service to fulfill their duties to the people, the State preferred to allow private interests to achieve larger profits and it absorbed the losses-- at the expense of our common heritage -- which had to be the cost and indeed proved to be the cost of setting up numerous cooperatives in regions where already elevated prices could only be maintained through subsidies.<sup>15</sup>

Though like Alberta's Social Credit government, the Union Nationale used the cooperative form to avoid challenging the power companies' property and control, it assigned a large part of the financial burden for it to the public treasury, rather than to farmers alone.

Albertan farmers resented the financial burden rural electrification imposed on them. The Farmers' Union of Alberta (the result of a merger of the AFU and the UFA without its cooperative) campaigned tirelessly against the program throughout the 1950s. The FUA's objection was in part philosophical, holding that "the concentration of power in the hands of private companies...in our opinion constitutes a danger to the public welfare." It was an effective and well-received campaign, however, because it relentlessly pointed out that, while farmers paid the entire cost of constructing rural lines, at anywhere between \$800 and \$1,000, city-dwellers faced no such burden. "In our opinion there is no more reason why farmers should build their own lines than there is that urban dwellers should be responsible for the first cost of the lines between towns and along each separate street," the 1950 convention resolved. The program's result,

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<sup>15</sup>René Lévesque, "L'avenir des coopératives d'électricité - II," L'Action nationale, vol. 53 (1964), p. 764 (text of a speech to the Congrès des Coopératives d'électricité; my translation).

the FUA pointed out, was "a patchy, uneven development." "Only good districts can be electrified as others cannot afford it, the profits earned over the whole system belong to the Power Companies and are not available to extend the system as they should be." The FUA frequently cited the example of "the relatively poor Province of Manitoba," where low-interest borrowing and royalties on water rights paid by the private companies subsidized the Power Commission's construction of lines up to the farmer's yard without charge. By contrast, the FUA's newsletter concluded: "Our own oil-rich Province of Alberta does nothing for the farmer in regard to electricity except to help him get into debt and thereby make profit for Power Companies."<sup>16</sup>

The measure of the FUA campaign's success is the number and the virulence of the letters about rural electrification which individual farmers sent to Premier Manning in the years following the plebiscite. His file on rural electrification for 1947 to 1953 contains a dozen letters of complaint written after the plebiscite and only one in favour of the government's program. The following was written by a farm wife near Red Deer in 1949.

...Now I have something to tell you about the way the Calgary power & light Co [sic] is working here[:] when the line was first surveyed for this Clearview circuit we were on the original contract[,] but when we were told the price we could not see our way clear to borrow the money which was one hundred dollars for deposit & wiring extra[:] one & a half years after we asked how much we could get the power for[,] this was raised to one hundred & fifty so we still could not make it, we asked again this spring now

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<sup>16</sup>PAA, Acc 69 289, file 1906, Farmers' Union of Alberta, "Resolutions on Provincial Matters, Electric Power Situation; Statement of reasons for asking development under Public Power Commission," January 1950; comparisons to Manitoba from "Rural Electrification Report," The Organized Farmer, vol 9, (December 1950), p. 9, and "Electric Power Situation in Alberta," in Ibid., vol. 10, no.12 (1951), p. 12. David Monod, in "The End of Agrarianism: the Fight for Farm Parity in Alberta and Saskatchewan, 1935-1948," Labour/Le Travail, no 16, (1985), p 142, speaks of the AFU's "lingering elements [having] been swept up into the mainstream of agricultural organizations on the prairie." Given that there were no more delivery strikes, there is some truth to this, but it should also be recognized that the merger (which had been under discussion for several years) took place on the AFU's terms -- only the UFA as a farmer's union entered, not the cooperative and its membership -- and its former leadership dominated the new organization.

they want six hundred and fifty dollars just to bring the wire across the road & into our yard, they are charging all kinds of prices, this would cost us nine hundred dollars [by the] time we had the buildings wired & fixtures adjusted, is it possible for you to have a plebiscite for government ownership of rural power[?], the cities let us down before, the cities do not have to pay such big prices as we do & they do not have to put up with so many hasards [sic] as we do, we have to pay very high taxes whether we get a crop or not, not has been the case with us these last three years, we were frozen out in 1947, hailed out in 1948[,], now we are dried out, how can we manage with such unstable markets & high food costs[?], we think something should be done to give us a break....

In 1950, a more sardonic farmer in Tofield wrote:

Im [sic] a good Social Crediter but I boil over when this Rural Electrification comes up. I am also a farmer who would like to have my farm and home powered, so we could have some conveniences which you city people take for granted. The homestead days are over.

The farmer enclosed a letter to the Edmonton Journal by FUA president Henry Young calling for development of electric power under public ownership, "which expresses my opinion's [sic] also." A year later he sent Manning a clipping of an article by Young in The Farm and Ranch Review, describing the speed and low cost of rural electrification under public ownership in Manitoba, and simply wrote on it: "Dear Sir, I have always voted Social Credit but believe your government fell down on the rural Electrification [issue] when is the next election?" Enclosing a copy of the same article, another farm wife asked Manning:

Do you honestly think this attitude of yours right or christianlike [sic] to turn us over to be exploited by a foreign company? It seem to me you might act a little more fairly towards the farm population, after all they are the ones that elected you

Manning's replies were bland statements, insisting on the debt public ownership would have incurred for the province and the fairness of the plebiscite.<sup>17</sup>

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<sup>17</sup>PAA, Premier's Papers, Acc. 69.289, file 1615A, A. Ellen Hendrickson to E.C. Manning, 28 June 1949; Lorne Lee to E.C. Manning, 4 March 1950; Lorne Lee's comment written on a clipping of Henry Young's "Rural Electrification in Manitoba and Alberta," from The Farm and Ranch Review, July 1951; Rose Touton to E.C. Manning, 23 July 1951; E.C. Manning to A. Ellen Hendrickson, 5 July 1949, E.C. Manning to Lorne Lee, 10 March 1950. The single letter of praise congratulated Manning for leaving matters to "private enterprize [sic]" and explained: "I have

Henry Young's article in the July 1951 issue of The Farm and Ranch Review in particular attracted so much attention that on the advice of Manning's executive secretary, John L. Robinson, the Minister of Industries and Labour (responsible for the Power Commission and the Co-operative Activities Branch), wrote two replies, one for publication and another for distribution to REA executives. Robinson insisted Alberta did have "a very definite plan" for rural electrification, though it did not have Manitoba's advantage of "power cheaper than any other place on the continent." But in defending his government's rural electrification program, Robinson was forced to resort to a defence of private initiative and self-reliance

Power is a part of the equipment required for modern farming, just as important as a tractor, truck, combine or car. There seems no reason why a farmer should supply these other items of his equipment and then ask the Government to supply him with a power system. [ .. ] If he had a man-powered fanning mill, should the Government supply a man to turn the crank[?] <sup>18</sup>

This refusal to countenance subsidization became the government's principle defence for its program, aside from statistics proving its rapid progress. The cabinet replied to the 1952 FUA convention's resolution requesting free rural power line construction under public ownership by stating. "We do not believe that people engaged in one prosperous industry such as agriculture should be subsidized at the expense of others." During a debate in the legislature in which the CCF pointed to Manitoba's example, Manning "said the only reason Manitoba

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recently assisted in the formation of a rural electrification project and have found that those in favor of government interference are generally uninformed individuals who are inclined to think 'they' should do everything for us, gratis"; Norman E. Stanley to E.C. Manning, 29 February 1952. Since Manning's files are by subject, not chronological, it is difficult to evaluate the relative importance of this issue among the letters he received.

<sup>18</sup>PAA, Acc. 69.289, file 1615A, Peter Elliott to John L. Robinson, 30 July 1951; PAA, Acc. 83.333, Box 1, John L. Robinson to the Editor of The Farm and Ranch Review, 2 August 1951; John L. Robinson, "The Other Side of the Story -- (To Mr. Young's Article in Farm & Ranch Review [,] July, 1951)," copies of which can be found in PAA, Gilby Rural Electrification Association Papers, Acc. 84.255, Box 1, file Correspondence 1951.

rural [power] rates are lower than Alberta's was that urban rates were boosted to subsidize rural electrification "19

The entire program was so unpopular, however, the government could neither rely on its MLAs nor on Social Credit party members to defend it. When the 1950 spring session of the legislature debated an appropriation for the Power Commission, one Social Credit backbencher objected and "said he doubted if the Government was doing the right thing in the power commission field." Chester Sayers, MLA for Camrose and also a member of the AUPEA's board of directors, came maladroitly to his government's aid when he "said the present system of development would fall short of demand in the long run. However, he did not think public ownership was any solution." He admitted that wind- and gasoline-powered electric plants were "not efficient," but added "farmers would have to reconcile themselves to the fact that all were not going to get high line power." The Alberta Social Credit League, at its 1948 and 1949 conventions, asked the government to subsidize rural electrification, since it recognized that "many farmers are unable to finance the initial cost," but was simply reminded of the existing loan guarantees in the cabinet's reply. The 1951 Social Credit convention actually debated but defeated a resolution calling on the government to investigate programs in other provinces thoroughly, since "there is a growing apprehension as to the present Government policy of rural electricity being the best that can be provided, and which on the surface apparently compares unfavorably with that in the Province of Manitoba."20

Not surprisingly, the power companies were the most enthusiastic and the busiest supporters of Alberta's rural electrification program.

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<sup>19</sup>"Provincial Government Replies to F.U.A. Resolutions," The Organized Farmer, vol 11, (November 1952), p. 13; Calgary Albertan, 20 March 1951.

<sup>20</sup>Calgary Albertan, 22 March 1950; PAA, Cornelia R Wood Papers, Acc. 74 138, "Report of the Fourteenth Annual Provincial Convention of the Alberta Social Credit League," 1948; GAI, Frank Thorn Papers, A.T496, file 15, "Report of the Fifteenth Annual Provincial Convention of the Alberta Social Credit League," 1949; PAA, Cornelia R Wood Papers, Acc. 72.309, "Seventeenth Annual Report, Provincial Convention, Alberta Social Credit League," 1951

They continued their policy of celebrating the inauguration of each REA's power system with banquets, picnics, and ceremonies to flip the master switch, and their publicity departments ensured regular coverage of these events, even in the big cities's daily newspapers. When the Bowden REA's system was inaugurated, the local newspaper called it "one of the biggest evenings ever held in Bowden". over 500 people gathered at the recreation hall for a dinner catered by the Ladies Aid, the town mayor, the MLA, the MP, the Minister of Industries and Labour, the director of the government's Cooperative Activities Branch, the manager of Farm Electric Services Ltd, and the president of the REA all addressed the gathering; for entertainment, the company presented its radio variety show, "Calgary Power Discovers", aired live on the Red Deer station CKRD, followed by dancing to the music of the show's orchestra <sup>21</sup>

The power companies also spent a large amount of time and energy defending rural electrification's progress from attacks, real and anticipated. For instance, when the FUA published a one-page "Statement of reasons for asking development under Public Power Commission" in 1950, Canadian Utilities responded with a three-and-one-half page "analysis " When a pamphlet containing the FUA's criticisms appeared, Calgary Power replied with a five-page release, repeating Canadian Utilities' analysis word for word in many points. Both insisted that Alberta's program was efficient and well-planned and that their "strict regulation and control by the Board of Public Utility Commissioners" left "little or nothing [in the way of profits] available to subsidize or otherwise assist in farm electrification," therefore, only taxes or higher urban rates could provide extra funds to subsidize farm use.<sup>22</sup>

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<sup>21</sup>Innisfail Province, 21 December 1950. During the late 1940s and early 1950s, Albertan newspapers large and small were full of articles reporting on such ceremonies; the "Electrification" file of the Alberta Legislature Library clippings file collection contains 33 such articles for 1944 to 1955, chiefly from the Edmonton Journal.

<sup>22</sup>PAA, Acc. 83 333, Box 3, Canadian Utilities Limited, "Analysis of F.U.A. memorandum supporting its policy of government ownership & operation of generation & distribution of electrical energy in Alberta," 29 May 1950; PAA, Department of Public Works Records, Acc. 76.78, file "Plants-3," Calgary Power, "Some facts on rural electrification"; the

The power companies' replies to attacks by the FUA and the CCF were not only rapid and intense, they were effective. For instance, a press release from March 1950, prepared by Canadian Utilities and reproduced by the Supervisor of Co-operative Activities, compared rural power rates in Alberta with slightly higher ones in Saskatchewan to refute suggestions, "that the service would cost the farmer less if the Government would take over the whole field of generation and transmission." At least two rural newspapers subsequently published this press release verbatim, one under the title "Rapid Extension Of Rural Power Greatly Appreciated." In April 1952, two different newspapers published the same letter from F.T. Gale, manager of Farm Electric Services, giving Calgary Power's version of the controversy over its contractual right to purchase section of the REAs' lines. In both newspapers, the letter was followed by an identical, unsigned description of the larger debate over rural electrification, which was "by no means to be taken as an endorsement of the present plan," though it explained that "it is difficult to see how [the cost of power] could be lowered to any appreciable extent under any system."<sup>23</sup>

Nor were the big-city dailies immune from the power companies' influence: when the 1951 convention of the Alberta Association of Municipal Districts passed a resolution calling for a new plebiscite on rural power, presented by FUA president Henry Young, Calgary Power replied that his comparison with Manitoba was unfair, and the Calgary Albertan dutifully published a table of statistics provided by the

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pamphlet referred to by Calgary Power, presumably from the FUA, was not found.

<sup>23</sup>PAA, Acc. 83.333, Box 1, press release titled "RURAL ELECTRIFICATION," dated "3/4/50", published in Hanna Herald, 16 March 1950, and St Paul Journal, 9 March 1950; Gale's letter in Wetaskiwin Times, 2 April 1952, and Olds Gazette, 10 April 1952. Several press releases in the Power Commission's file s conclude, "Prepared by Canadian Utilities Ltd., Reproduced in the Office of the Supervisor of Co-operative Activities." The FUA was well aware of the power companies' "propaganda" being spread "through inspired articles in the weekly press"; "Power Interests Squealing," People's Weekly, 26 July 1952 (an editorial reprinted from The Organized Farmer).

company to show the advantage Alberta's rural electric customers enjoyed over those in Saskatchewan.<sup>24</sup>

Calgary Power in particular was a powerhouse of self-promotion. On the eve of a provincial election campaign, the June 1, 1952 broadcast of "Calgary Power Discovers", saluted "the farmer members of the Rural Electrification Co-operative Associations who are responsible for the great progress which has been made in farm electrification over the past few years." At the same time it published "a story on farm electrification" which it distributed in a four-page form to all its rural customers, and in an eight-page form to the presidents and secretaries of all REAs and the reeves and secretaries of all municipalities, and Calgary Power kindly offered additional copies of either pamphlet to the Premier for his use. Later the same year, Calgary Power commissioned a film on the benefits of power for Albertans, told through the adventures of a farm family so moved on "The Night the lights went on" in their home that they set out on a tour of southern Alberta to learn more about electric power. In 1953, the company convinced members of the Alberta Division of the Canadian Weekly Newspapers Association to publish a special rural electrification issue, which it supported through its own advertising, advertisements it solicited from appliance manufacturers, distributors and retailers, and through cash prizes for the best essay on "What Rural Electrification Has Done For Us." In the late 1950s, Calgary Power even went so far as to place advertisements extolling the inexpensiveness of its electricity in The Organized Farmer, the FUA bulletin, side by side with the executive's denunciations of the company.<sup>25</sup>

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<sup>24</sup>Calgary Herald, 13 November 1951; Calgary Albertan, 15 November 1951.

<sup>25</sup>The text of the broadcast is in GAI, Alberta Liberal Association Papers. BE 22, A333, f.164, and in the "Electrification" file of the Alberta Legislature Library clippings file collection; on the pamphlets, see PAA, Acc. 69.289, file 1615B, H.B. Sherman to E.C. Manning, 9 June 1952, on the film, High River Times, 20 November 1952 (in 1956 Calgary Power released a 20-minute film on the benefits of rural electrification entitled Power over the Prairies); advertisements, for instance, in The Organized Farmer, vol. 14 (August 1955), p. 6, and vol 15 (November 1956), p. 17. The three prize-winning entries in the



While the power companies' public relations offices were in a sense doing the Power Commission's job for it, they did so with its complete cooperation. James MacGregor once sent the president of Canadian Utilities and the manager of Calgary Power's Farm Electric Services a copy of a brief the FUA had submitted to cabinet on the need for public ownership. "I do not think this is a very live issue at the moment," he wrote to them, "but if you would care to comment on this I would like to have a copy of anything you prepare because now and then during the Session someone is apt to call on me for some arguments refuting Mr Young's claims." While some weekly newspapers were not averse to using FUA press releases as well, in order to fill the space between the advertisements, it could hardly compare with the volume and breadth of a major corporate public relations campaign. Moreover, most editors took the company's side against the FUA: the Leduc Representative publicly refused to publish Henry Young's reply to its special rural electrification issue, criticizing him for attacking "one or two private enterprises" for making a profit, when the economic system required it of all businesses.<sup>26</sup>

The impact of Calgary Power's propaganda can be measured by the spread of its version of the history of rural electrification in Alberta, according to which, before World War II, "farmers were not ready to accept the benefits of electric service because they did not realize how electric service could improve farm production " War-time demand for agricultural products and shortages of manpower then showed

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essay contest on "What Electricity on the Farm Means to Our Family's Way of Life," all written by women, can be found in the Red Deer Advocate, 24 February 1954 (see Appendix III)

<sup>26</sup>PAA, Acc. 83 333, Box 3, J.G. MacGregor to J.C. Dale, 8 October 1959; for instance, Young's reply to the special issues, a letter titled "The Electric Power Racket," was published in the Hanna Herald, 25 March 1954; Leduc Representative, 25 March 1954. It should be noted that the editor of The Farm and Ranch Review from 1947 to 1955, James H. Gray, was fiercely opposed to the government's rural electrification program and published numerous editorials and articles (such as Young's mentioned above) criticizing it; James H. Gray, Troublemaker! A Personal History, (Toronto, 1978), pp. 238-39 Gray gave up the battle, however, after Social Credit's 1952 election victory; "The People Decide, So That Settles That," The Farm and Ranch Review, vol. 48 (September 1952), p. 8.

farmers the error of their ways and after experience with the experimental areas, "it appeared that the most feasible and economically-sound way to carry out rural electrification in Alberta was on a co-operative basis." Not only did this patently false version of events appear in Calgary Power's promotional leaflets distributed in the spring of 1952, and in an article signed by its director of public relations in Electrical Digest, a trade magazine, at the same time it was published verbatim in at least one weekly newspaper, and over 11 years later the director of the provincial government's Co-operative Activities Branch published a variation on it in an issue of National Farm Forum Guide.<sup>27</sup>

As the next provincial election approached, the government's ardour in defending its rural electrification program ebbed and flowed. In February 1952, when the CCF introduced a motion calling for a plebiscite on whether to undertake rural electrification under public ownership, the Minister of Industries and Labour said, "We should not have a plebiscite until we get a complete picture of the cost of public power ownership" -- leaving open the possibility of another plebiscite once the Power Commission had completed a survey of power facilities. In late spring 1952, the government had published a promotional brochure on its rural electrification program which boasted that "the only limiting factors at present are the availability of men and materials with which to build the lines." In early July, the Minister of Industries and Labour, provided MLAs with a nine-page polemic for use during the election campaign, titled "The Facts on Rural Electrification," which insisted: "There is only one main point at issue: do you believe in the initiative of people to do things for themselves, with help from their Alberta Government, or do you believe that the farmers and others

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<sup>27</sup>PAA, Acc. 83.333, Box 1, Calgary Power Ltd., "Farm Electrification in the Province of Alberta (as at March 1st, 1952)"; W.E. Ross, "Alberta's Experience With Rural Co-Operatives," Electrical Digest, vol. 21 (June 1952), pp. 62-63; Lac La Biche Herald, 7 May 1952; H.W. Webber, "Rural Electrification in Alberta," National Farm Forum Guide, (A Special Alberta Edition; 16 December 1963), pp. 2-3.

should be spoon-fed on every problem they have to face, until they eventually will not be able to do anything for themselves."<sup>28</sup>

The issue, however, had become far from ideological and far removed from technical questions of power resources. In its 1952 report, the Power Commission reported it estimated that by 1960, 72,000 of Alberta's 84,315 farms (85.4 per cent) would be "within economical distance" of transmission lines by 1960, and that 80 per cent of these were expected to "take service," for an anticipated market of 57,400. By the year's end, 30.9 per cent of this market, some 17,754 farms, had been connected, suggesting the program was proceeding on schedule. However, the Commission was forced to admit that within the results there was a striking regional variation:

A study of these figures shows that farm electrification has not made very rapid progress in the northern part of the Province. Of the 84,315 farmers in Alberta, 33,000 live north of a line drawn east and west through Edmonton. Of these, approximately 2,100, or 6% have been connected to Central Station service. South of this line, there are 51,000 farmers, and service has been extended to approximately 15,900 of these, or 31%.<sup>29</sup>

The underdevelopment of rural electrification in northern Alberta was later attributed to lower population density by an official of the AUREA, and to the relative absence of "progressive" farmers in the region by the Power Commission. In fact, density was not the issue: in 1951, the farms north of Edmonton had an average size of 334.5 acres, compared to an average of 725.4 acres for farms to the south. The Power Commission's reference to the "very many progressive farmers who need farm electrification and who would go to great lengths to get it," in "the area of the Province where the majority of small farms lie," but who were held back by "their neighbours .. who are content to wait awhile," was an ideologically-loaded way of admitting many farmers felt they could not afford the expense. In 1951 the average cash income for all Alberta farms was \$5,340.58, but north of Edmonton, 71.3 per cent of

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<sup>28</sup>Calgary Albertan, 29 February 1952; PAA, Cornelia R. Wood Papers, Acc. 68.74, Item 207, Government of the Province of Alberta, "Rural Electrification; Electricity for Farmers", PAA, Acc. 69.289, file 1615B, "The Facts on Rural Electrification," July 1952.

<sup>29</sup>Alberta Power Commission, Annual Report, 1952, pp. 32, 33.

farms earned less than \$5,000 (to the south, 42.4 per cent of farms earned more). By way of example, during a debate in the legislature some 27 years later, the MLA for Vegreville reminisced that "taking the power" in 1950 had cost him seven steers, 13 pigs and 200 bushels of wheat. Requiring cash outlays of at least one-tenth of the average annual cash income, Alberta's rural electrification program was simply too expensive for most of its farmers <sup>30</sup>

During the campaign preceding the August 5, 1952 election, the Social Credit government announced its solution to this problem: a \$10 million Rural Electrification Revolving Fund would be set up to provide REAs with loans at an interest rate not exceeding 3 5 per cent (the rate at which financial institutions had lent most earlier, guaranteed loans), to be repaid over ten years, and allowing the down payment paid by members to be reduced to 15 per cent of the average cost or \$150 (whichever was greater). Social Credit emphasized the new policy in its campaign, though the press seems to have paid relatively little attention to it, in what was, in any case, an uneventful contest. The Liberals elected three MLAs and the Conservatives two in Edmonton and Calgary, the CCF elected its leader, Elmer Roper, in Edmonton and won rural Willingdon, while Social Credit and one Independent Social Crediter took the other 54 ridings <sup>31</sup>

Nevertheless, the change in policy was a significant step. The government had long insisted on the value of unsubsidized rural electrification, but in 1952, the average yield on a 10-year federal

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<sup>30</sup>George Mead, "Rural Electrification in Areas Adjacent to Alberta," p. 20, Alberta Power Commission, Annual Report, 1955, p. 36; my calculations, based on Canada, Census of Canada, 1951, vol. 6, part 2, Table 16, "Area and condition of farm land, farms classified by size of farm, tenure and area of improved land,"; Alberta, Department of Agriculture, A Historical Series of Agricultural Statistics for Alberta, ([Edmonton, 1967?]), "Income of Farm Operators from Farming Operations," p. 115, my calculations, based on Canada, Census of Canada, 1951, vol. 6, part 2, Table 25, "Occupied farms, classified by economic classification and value of products sold in 1950, by census division"; Alberta, Alberta Hansard, Eighteenth Legislature, 2 March 1977, p. 94.

<sup>31</sup>PAA, Cornelia R. Wood Papers, Acc. 68.74, Item 214, Supplement to The Canadian Social Crediter, vol. 3 (16 July 1952), "The Premier Speaks to the People," p. 2, Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), pp. 15, 71-75.

government bond was 3.59 per cent and 4.13 per cent on provincial bonds; the rates had even risen slightly higher by the time the fund was established in 1953. Even the small difference with the rate of 3.68 per cent on federal bonds that year, amounted to foregone revenue of some \$10,440 on the \$5.8 million the Fund lent out. With subsidized loans now available for all but \$150 or 15 per cent of the cost of construction -- rather than just for half -- farmers proved more receptive. While 4,576 farms were connected in 1952, the total in 1953 was 6,126. While only \$10.75 million worth of loans had been guaranteed since 1946, so much money was lent from the Revolving Fund in 1953 that the Power Commission correctly forecast the Fund would need more money by the spring of 1955.<sup>32</sup>

However, in 1955, 54.3 per cent of Alberta's farms were still without central station power, though 54.0 per cent of the farms the Power Commission ultimately expected to reach (calculating 85 per cent saturation) had been connected. In particular the new Revolving Fund had only been able to reduce, not eliminate, the regional inequalities in rural electrification. In its 1955 report, the Power Commission admitted that in northern Alberta, outside of Census District 11 surrounding Edmonton, only 26 per cent of farms were electrified, compared to the 58 per cent of farms served in the southern part of the province (including District 11).<sup>33</sup> As Map 4 indicates, the benefits of rural electrification were so unequally spread in Alberta, that those who were not yet served lived infuriatingly close to other farm communities which already had power.

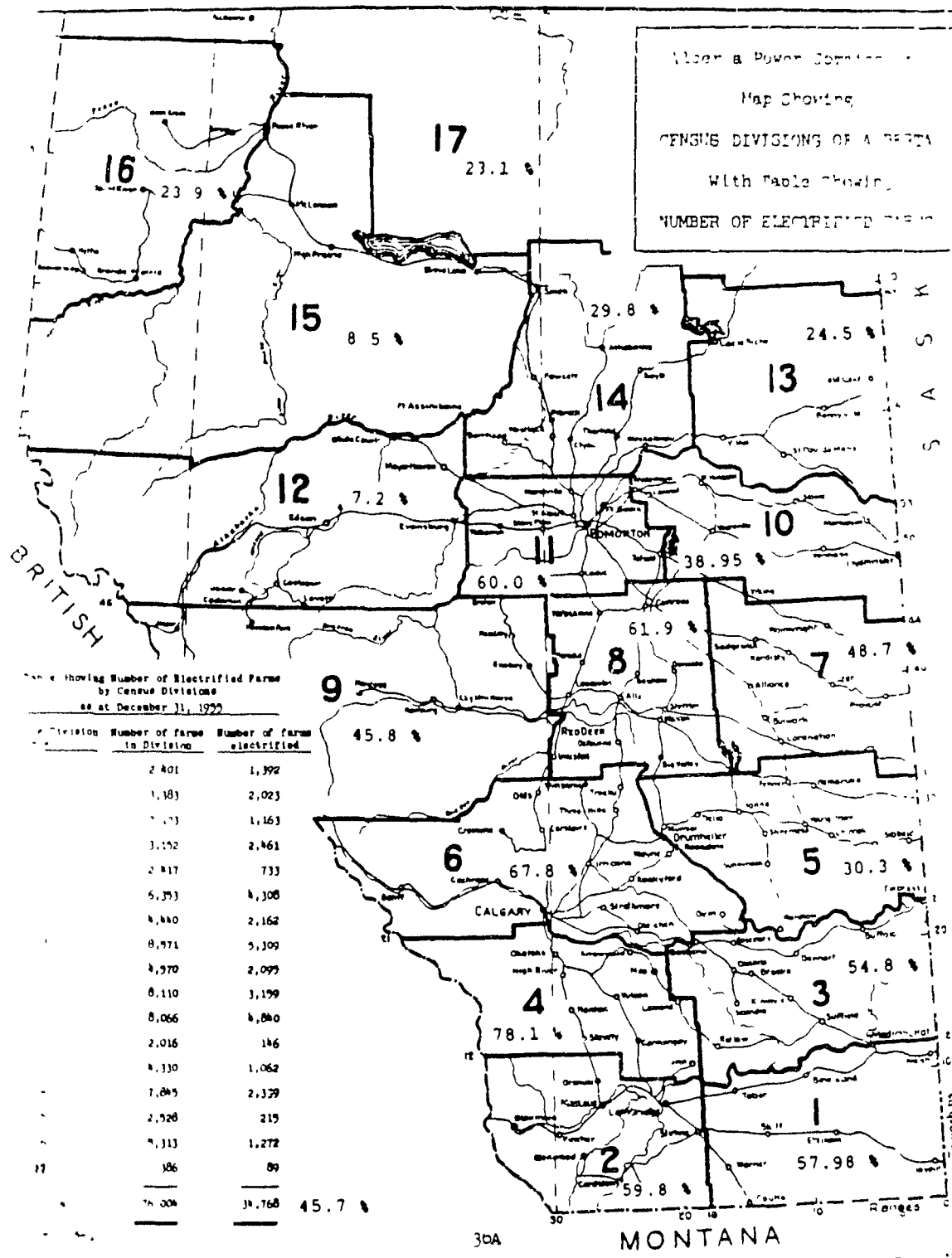
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<sup>32</sup>F.H. Leacy, ed., Historical Statistics of Canada, (Ottawa, 1983), Series J471-480, "Bond and stock yields, annual averages, 1934 to 1977"; Alberta, Alberta Power Commission, Annual Report, 1952, p. 30; Alberta Power Commission, Annual Report, 1953, pp. 38, 45-46.

<sup>33</sup>Alberta Power Commission, Annual Report, 1955, p. 36.

## MAP IV

NUMBER AND PERCENTAGE\* OF ALBERTA FARMS ELECTRIFIED  
ACCORDING TO CENSUS DIVISIONS, 1955



\*My calculations based on Alberta Power Commission, Annual Report, 1955, p. 36A.

Also in spite of the Revolving Fund, the FUA and the CCF kept up their attacks on the rural electrification program, and were joined by the Liberal party. The CCF in particular devoted a large amount of its energies to denouncing the program and calling for a publicly-owned power monopoly which would eliminate payments for new customers and reduce rates. The party passed four resolutions to that effect at its December 1954 convention, party leader Elmer Roper devoted three provincial radio broadcasts to the subject between October 1953 and January 1955, and in early 1955 the party published a pamphlet entitled "Power Lines Should Be Installed Free". The government was sufficiently annoyed by the CCF's attacks that it published a speech made in March 1955 by Norman Willmore, Minister of Industries and Labour, as a pamphlet; five of its 12 pages criticized rural electrification under the CCF government in Saskatchewan and three responded to Roper and his pamphlet. For his part, Liberal leader J. Harper Prowse called for government loans to farmers for rural electrification to be interest-free, but "said he did not favor publicly-owned companies unless the farmers believed they could obtain a more reasonable rate by having them."<sup>34</sup>

By May 1954, the Power Commission's chairman James MacGregor was already proposing another change to the financing system, once again to solve the problem of the slow pace of electrification in outlying areas. In a memorandum which he submitted to the power companies before the AUREA and even before the cabinet, MacGregor pointed out a fundamental

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<sup>34</sup>Calgary Albertan, 4 December 1954; PAA, Acc. 83.333, Box 4, "Elmer E. Roper, C.C.F. Provincial Leader in 'Provincial Affairs Broadcast' - CBX, Monday, October 5, 1953, at 6 45 p. m.", Box 1, "Notes Re Elmer Roper's Broadcast of December 14, 1955"; Box 1, "Elmer E. Roper, C.C.F. Provincial Leader, 'Provincial Affairs' broadcast, Tuesday, January 25th, [1955,] 9:45 p. m., CBX, released through CFRN"; Box 4, pamphlet "Power Lines Should Be Installed Free", PAA, Social Credit Party Papers, Acc. 83.353, Box 7, "Electrification" file, Rural Electrification, "Excerpt from a speech made to the Legislature by The Honourable Norman A. Willmore, March 4, 1955" (much of this speech reproduced word for word a memorandum by MacGregor to Willmore's deputy minister, PAA, Acc. 83.333, Box 4, "Notes on C.C.F. Charges Concerning Rural Electrification," 11 February 1955); for Prowse's views, see Edmonton Journal, 29 March 1955

inefficiency, due to the fact that "in many areas only 50% of the farmers feel able to take farm electrification when a project is first mooted." After the cost per farmer was estimated, usually at around \$1,000, some of those farmers would decline to sign service contracts, thereby raising the average cost to around \$1,200 for those who remained and causing several more to drop out of the project, at which point the cost might reach \$1,300. However, seeing their neighbours with the service had a habit of changing the farmers' minds: "they wonder why they held back, and then are in a hurry to get connected." By the end of the third construction year, up to 75 per cent of the area's farmers would be connected, until the total amount of money paid for construction provided a surplus with which refunds were paid, eventually reducing the average cost back to \$1,000. MacGregor suggested that the power companies and the Power Commission survey areas to decide how many farms there "might be considered reasonable prospects for farm electrification within the next three years." The difference between the average cost for this number and for those actually signing contracts each year would be lent to the area's REA by the government. In presenting this same idea to his political superiors, MacGregor hastened to point out that his plan would not involve any subsidy: "All that is being done is to loan part of the money one or two years earlier than it [sic] would have done otherwise."<sup>35</sup>

By the time this proposal was ready for the first session of the legislature in 1956, it had been enlarged to extend the term for loans of \$1,000 or more from the Revolving Fund to 25 years and reduce the down payment for new customers to \$100; farmers would henceforth make the payments with their power bills. "The Power Companies would then be collecting the loan payments," MacGregor wrote, "so that the decision as to enforcing payment would not be left in the hands of the Secretary of the R.E.A., or fall back on the Provincial Treasurer." Farmers who

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<sup>35</sup>PAA, Acc. 83.333, Box 3, "Memo Re Farm Electrification," 18 May 1954; J.G. MacGregor to F.T. Gale, 21 July 1954; Acc. 69.289, file 1013, Alberta Power Commission, "Some notes in connection with the Proposed Amendments to the Rural Electrification Revolving Fund Act," 4 February 1955.



were in arrears on either government-guaranteed loans or those from the Revolving Fund could refinance them on the basis of monthly payments over 25 years, while others could change to the longer term voluntarily. Given the Fund's interest rate of 3 5 per cent, a \$1,000 loan paid over 25 years would require monthly payments of only five dollars, in addition to about five dollars for the average consumption of between 50 and 100 kwh per month. MacGregor wrote in a memorandum to his minister and the premier:

Any change in further assisting the spread of farm electrification needs to have a popular appeal - a slogan, if you wish to call it that. We believe that this popular appeal could be obtained by talking of the new plan as "\$100 Down - \$10 per month "<sup>36</sup>

The cabinet's new interest in marketing rural electrification financing can be easily explained, for the spring session of 1956 was that of a very different legislature. Following an election on June 29, 1955, the Social Credit government now faced a sizeable opposition -- 24 MLAs, including 15 Liberals -- for the first time in over a decade; also for the first time since 1940, Social Credit's share of the popular vote had also fallen below 50 per cent. The party had been rejected by rural voters as much as by city-dwellers: between 1952 and 1955, Social Credit's share of the popular vote had fallen only slightly less in the 45 ridings which were not purely urban, than in the 16 seats from the four largest cities (from 55.6 to 46.0 per cent and from 57.7 to 47.1 per cent respectively). The result was that Social Credit went from holding 43 of the rural ridings to electing MLAs in only 29 of them.<sup>37</sup>

Both Roper and Prowse made rural electrification an issue in their election campaigns and, in a radio broadcast, the FUA called on farmers to "insist that the members they elect regardless of party, are pledged to a new deal on the power question." The fact that three rural ridings in the most heavily electrified areas -- Banff-Cochrane, Bow Valley-Empress, and Okotoks-High River -- defeated Social Credit

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<sup>36</sup>PAA, Acc 69.289, file 1013, Alberta Power Commission, "Memorandum re Changes in Rural Electrification Association Financing," 24 November 1955

<sup>37</sup>My calculations, based on Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, pp. 15, 71-82.

incumbents, suggests rural discontentment went well beyond electric service (they elected "Coalition", "Independent", and "Liberal-Conservative" candidates respectively). However, the only Liberal MLA elected south of Edmonton was from Acadia-Coronation, a riding which covered half of Census District 5, the worst-served area in southern Alberta; in the 19 rural ridings north of Edmonton (in whole or in part), where the vast majority of farms were still not served, the Liberals won eight seats, Social Credit only seven, and the CCF two.<sup>38</sup>

Still, with urban and rural support for the opposition roughly equal, a single issue such as rural electrification cannot be seen as the direct or determining cause of the 1955 election results. Alberta's agricultural sector, in particular, was in steady decline between 1952 and 1955: total cash income from farm products in the province shrank from \$502.8 million to \$356.9 million. But one effect of the recession, for instance, was that the value of farm capital in Alberta in 1955 actually stood lower than in 1953 (\$2,067,168 compared to \$2,082,286) and by any standard, farmers' cash reserves were extremely low. In this context, poorer farms were even less likely to feel able to afford the cost of rural electrification.<sup>39</sup>

In his memorandum proposing what would become the amended Part II of the Rural Electrification Revolving Fund Act, MacGregor explained to his political superiors that the Power Commission expected 60,000 of Alberta's 70,000 farms would eventually have electric service, of which 34,000 had already been connected. But the remaining 26,000 farms were either those near existing lines whose owners had not been able to

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<sup>38</sup>Roper cited in Edmonton Journal, 20 June 1955; Frowse in Lethbridge Herald, 23 July 1955; "Broadcast No. 13," The Organized Farmer, vol. 14, (July 1955), p. 13; Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, pp. 71-82. Alvin Finkel maintains the opposition parties "received proportionately more votes in urban areas than in rural areas" in both the 1955 and 1959 elections, but bases the conclusion on results from Edmonton and Calgary only, leaving out the other two purely urban ridings of Lethbridge and Medicine Hat; "Social Credit and the Cities," Alberta History, vol. 34, (1986), p. 22, and p. 25, n. 24.

<sup>39</sup>Alberta, Department of Agriculture, A Historical Series of Agricultural Statistics for Alberta, "Income of Farm Operators from Farming Operations," p. 115, and "Values of Farm Capital," p. 120.

afford to join the REAs which built them, or they were "smaller farmers in fringe areas" whom it had been uneconomical to serve. MacGregor revealed that it would only be possible to continue to connect 5,000 new farms each year if new measures were implemented. "We estimate that, with the existing financial arrangements, the number of farms hooking up in 1956 will drop to about 1,500, and that it might continue at a rate of 1,500 to 2,000 per year for many years to come." Simply put, the Power Commission offered Manning and his cabinet a choice between completing the electrification of the province's farms by 1962 or by 1968, and they chose the former. The new Minister of Industries and Labour, Raymond Reiersen, announced the new financing in the legislature in February 1956, immediately after the government had accepted a Liberal motion to reduce the capital costs of rural electrification (itself an amendment to a CCF motion calling for public ownership) -- an indication of the government's need to blunt the opposition attacks on its policies.<sup>40</sup>

Only 2,890 new farms were actually connected in 1956, since the construction season was already well underway by the time the new financing was in place and well-enough understood to arouse farmers' interest, but over the three following years 12,265 more farms received service. By 1958, the only areas in which the majority of farms were still without power were around the Rocky Mountains, and in the areas of new settlement in the Peace River country and northeast of the North Saskatchewan River. Applying to Alberta a survey which in 1958 had revealed there were only 91.5 per cent as many farms in Saskatchewan as indicated by the 1956 Census, the Power Commission concluded there were fewer farms in Alberta than the Census indicated and, therefore, 79 per cent of Alberta farms had central station electric service at the end of 1959. By the time of the provincial election, in mid-June 1959, farmers were experiencing the third consecutive year of growth in their incomes, a progression which would not stop till the end of the next decade. In that contest, the 48 rural ridings far surpassed the four largest

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<sup>40</sup>PAA, Acc. 69.289, file 1013, Alberta Power Commission, "Memorandum re Changes in Rural Electrification Association Financing," 9 November 1955; Edmonton Journal, 24 February 1956.

cities' 17 ridings in their enthusiasm for the government: they voted 59.3 per cent for Social Credit, compared to only 50.1 per cent in urban ridings, though they provided three of the four MLAs in what remained of the opposition.<sup>41</sup>

In the space of only eight years, the Social Credit government had provided three different forms of financing for rural electrification by Alberta farmers, each one with easier terms than the last. While farmers still had to shoulder the financial burden, the interest rate on loans from the Revolving Fund constituted a small but growing subsidy, since it remained frozen at 3.5 per cent, and contradicted the government's rhetoric of complete self-reliance. Farmers remained the titular owners of the distribution system through their cooperatives, but the "\$100 down, \$5 a month, and 25 years to pay" plan, paid entirely through their power bills, made this role less and less apparent to the average farmer. The rural electrification program increasingly resembled those in Manitoba and Saskatchewan from the rural customer's viewpoint, albeit with the significant difference of higher monthly payments. Calgary Power's original "Springbank Plan" was to make them the cheerful developers of their own transmission lines, but beyond the wealthiest farms it was largely a failure, and to make it work the government had to stretch out further and further the time period allowed to pay off its costs.

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<sup>41</sup>Alberta Power Commission, Annual Report, 1956, p. 36; Ibid., 1957, p. 36; Ibid., 1958, pp. 38, 44; Ibid., 1959, p. 40; Alberta, Department of Agriculture, A Historical Series of Agricultural Statistics for Alberta, "Income of Farm Operators from Farming Operations," p. 115; my calculation, based on Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, pp. 83-86.

## CHAPTER FIVE

DECLINE AND FALL OF THE RURAL ELECTRIFICATION ASSOCIATIONS,  
1960-1989

Although the proportion of Alberta farms with electric service finally surpassed 75 per cent by the end of the 1950s, the farm movement's opposition to the government's rural electrification program continued unabated. In fact, from 1957 through 1960, the annual conventions of the Alberta Union of Rural Electrification Associations adopted resolutions in favour of public ownership, adding their support to the position which the Farmers' Union of Alberta and the Alberta Federation of Agriculture endorsed almost annually, well into the next decade.<sup>1</sup>

In 1959, the AUREA's convention called on the provincial government to take over "all the private Power Companies, and all rural power lines in the province," refunding farmers for their investment. But in a letter to the AUREA's president, the Minister of Industries and Labour replied: "Since this resolution is in conflict to the basic principle of free enterprise which we support, we could not subscribe to it." The AUREA's position on the issue changed back and forth throughout the 1960s: resolutions from Henry Young's West Liberty REA, supporting public ownership, were defeated 56 votes to 54 in 1961 and by similar margins through 1965, then adopted by 66 votes to 58 in 1966.<sup>2</sup>

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<sup>1</sup>Provincial Archives of Alberta (hereafter, PAA), Winnifred Ross Papers, Acc 77.113, Item 21, F.U.A. Convention, 1959, "Policy Sheets and Supplementary Resolutions"; see also Alberta Federation of Agriculture Papers, Acc. 80.150, Box 1, resolutions from annual meetings of 1949 through 1954, 1958 through 1960, 1962 through 1963, and 1968. The FUA became so used to pressing the government on this question, the first sentence of its 1959 brief on public power (presented jointly with the AFA, the AUREA, and the Alberta Federation of Labor) read: "We make no apologies for again approaching you on the important subject of the ownership of the electric power system in Alberta", PAA, Acc. 83.333, Box 3, FUA, "Submission to the Government of Alberta on the Electric Power Question," 16 September 1959.

<sup>2</sup>PAA, Department of Utilities and Telecommunications Collection, Alberta Power Commission Records, Acc. 83.333, Box 2, R. Reiersen to Clyde Stauffer, 23 June 1959; Box 2, Minutes of the AUREA Twelfth Annual Meeting, Minutes of the AUREA Fifteenth Annual Meeting;

The issue made its last major appearance in an Albertan provincial election campaign in 1963. In November 1962, the new Liberal leader, Dave Hunter, and his policy committee had announced they would recommend the party's convention adopt a policy of public ownership of the private power companies (with municipally-owned utilities excluded), which would generate revenue for the provincial government and lower rates for consumers. In order to encourage growth and in anticipation of major new hydro-electric projects, a provincial takeover was now a "necessity." Along with news of Hunter's proposal, the Edmonton Journal published detailed criticism of it by the Minister of Industry, the leader of the Progressive Conservatives, the president of the Edmonton Chamber of Commerce and the president of Canadian and Northland Utilities (under common ownership since 1961). The following day the Journal also reported on "strong opposition" to the proposal within the party itself, a "rebellion" which seems to have consisted of one single riding association in southern Alberta.<sup>3</sup>

Nevertheless, at the end of the week the Alberta Liberals endorsed Hunter's views -- no doubt buoyed by the victory of Jean Lesage's Liberals in Quebec a few days earlier, running on a similar platform-- and he confidently announced the next provincial election would be a "plebiscite" on public power. The Liberals' one-member caucus pursued the issue in the legislature during the spring, but their cause was not helped by a rate reduction for REA customers, planned since the summer of 1962 and announced in early 1963 by the Power Commission, cutting the

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Edmonton Journal, 28 June 1965.

<sup>3</sup>Edmonton Journal, 9 November 1962; Ibid., 10 November 1962. The Journal also published a shortened version of an FUA statement of support for the proposal and an extremely lengthy statement by Calgary Power's general manager criticizing it; Ibid., 13 November 1962 (compared to "Public Power," The Organized Farmer, vol. 22, December 1962, p. 1) and 10 November 1962. Interestingly, at the second convention of the Alberta New Democratic Party in January 1963, the policy committee and the new leader, Neil Reimer, recommended the first step in nationalization should be a takeover of the power distribution system only. They were denounced by CCF stalwarts such as Henry Young, who succeeded in having a resolution in favour of full public ownership adopted; Edmonton Journal, 28 January 1963.

price of consumption over 400 kwh from two to one-and-one-half cents.<sup>4</sup> Nor could it have been helped when the Edmonton Journal polled the city's ten Liberal candidates in the spring election and found one clearly opposed to public ownership and another "uncommitted."<sup>5</sup>

In his post-election statement, the Liberal leader said of public ownership: "We thought it was an issue, but obviously the public didn't agree." Social Credit was returned to office on June 17, 1963 with 60 out of 63 seats and its share of the popular vote almost unchanged at 54.8 per cent. Hunter was defeated in the rural Athabasca riding and only one MLA from Calgary joined the single Liberal incumbent, Mike Macagno of Lac-La-Biche; a third Liberal-Conservative coalition candidate completed the opposition. But while support for the opposition had remained virtually unchanged from 1959, the Liberals had managed to reconfigure it in their favour at the expense of the Conservatives, increasing their share of the popular vote from 13.9 to 19.8 percent.<sup>6</sup>

The Social Credit government felt compelled to respond. one month after the election, Premier Manning and the new Minister of Industries and Labour announced that the government's regulatory agency, the Public Utilities Board, would conduct an inquiry into the private power companies' rate structures. Since the PUB already had the necessary access to the power companies' financial records, the Journal reported, "government sources say the study has arisen from the political play the public power issue took in the last session of the legislature and during the June provincial election ..." While the inquiry received no further public attention and apparently never made any report, in the summer of 1965 Manning succeeded in lobbying the federal government to return 95 per cent of the taxes it received from privately-owned

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<sup>4</sup>Ibid., 21 November 1962, Ibid., 26 February 1963, on the rate reductions, Ibid., 31 August 1962 and 25 January 1963. Since they were tied to the amount of power consumed, the reductions actually benefitted the largest farms the most.

<sup>5</sup>Ibid., 11 June 1963

<sup>6</sup>"Why Albertans Killed Public Power at Polls," The Financial Post, 22 June 1963; Alberta, Chief Electoral Officer, A History of Alberta Elections, 1905-82, pp. 16, 88-91.

utilities to the provinces. As a result, the Alberta government was able to announce plans to rebate the new funds to consumers (which took effect in 1969), and at the same time the power companies announced a new "incentive rate" for rural customers, further reducing the price of large-scale consumption.<sup>7</sup>

With rural electrification available to the vast majority of farms, in the late 1960s the government concerned itself with the system's irritants. Rates were one such issue, another was the Deposit Reserve (called Deposit Accounts by Canadian and Northland Utilities) and the Operation and Maintenance accounts the power companies maintained for each REA. As Power Commission Chairman J.G. MacGregor had noted proudly in 1954: "Alberta is the only Province in Canada where the farmer is asked to pay the whole cost of his own lines and then is asked to provide for their operation and maintenance and to provide for their replacement when they need replacing."<sup>8</sup> While the lines remained workable, farmers resented having to pay into a depreciation fund for them; by the time they needed replacement, the funds were to prove hopelessly inadequate

As REAs saw construction on their lines completed, they increasingly questioned why they had to set aside more money against their depreciation. In 1958, the Bow North REA asked the Power Commission to allow it to stop paying into its Deposit Reserve account. "A number of our members are having to borrow money at present, paying a higher rate of interest to that credited our Assn[.] by the Farm Electric Services Ltd.," they pointed out. The board wanted the

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<sup>7</sup>Edmonton Journal, 23 August 1963; Ibid., 23 June 1965; Ibid., 29 June 1965. At the news of the rural rate reduction -- a quarter cent less on consumption over 1200 kilowatt hours -- the FUA president asked the penetrating question: "How can farm power rates be lowered further when the power companies say farmers are already receiving power at cost price?"

<sup>8</sup>PAA, Acc 83.333, Box 2, "Memorandum re Financing of R.E.A.s," 19 July 1954.



account, which had already reached \$41,157 33, to be used to pay for operating and maintenance instead, but MacGregor refused the request.<sup>9</sup>

The farmers of Bow North were tenacious, however. Later the same year they successfully moved a resolution at the AUREA convention, demanding that once an REA's Deposit Reserve account had reached 30 per cent of the system's total cost, reserve charges cease, and that the surplus which often arose from the fixed operating charge be used to pay expenses, rather than being added to the reserve. The Bow North REA continued to its campaign of resolutions and letters into the next decade, receiving any number of patronizing replies from government officials. By 1963, MacGregor was willing to admit "we have learned a lot about deposit reserves" since Bow North first raised the issue and held out hope for a refund, "in a couple of years." In 1965, the power companies finally began to issue refunds and the Bow North REA received the princely sum of \$80 00.<sup>10</sup>

In 1967, a report by George Mead, vice-president of the AUREA, was the catalyst for an attempt at a common agreement on reform of the Deposit Reserve and Operation and Maintenance accounts by the AUREA, the Power Commission and the power companies. Mead pointed out that increased use and expansion of the rural power system would require modernization. He recommended an end to rate policies and special charges (chiefly for large-capacity transformers) by which the power companies aimed to discourage rural consumption and reduce peak loads on the whole system. Mead also recommended an end to the practice of

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<sup>9</sup>Glenbow-Alberta Institute (hereafter, GAI). Bow North REA Papers, BB.7 .B787, f. 19, J.H. Dixon to J.G. MacGregor, 13 June 1958, and J.G. MacGregor to J.H. Dixon, 23 June 1958.

<sup>10</sup>PAA, Acc 83.333, Box 2. "Resolutions of the Alberta Union of Rural Electrification Associations[, 1958]"; for Bow North's agitation on this issue, see GAI, BB.7 .B787, f. 19 generally, refunds noted in f. 22 and 23. When Bow North's secretary-treasurer pointed out that he could get a higher rate of return on the Deposit Reserve by investing the money elsewhere, the Supervisor of Co-operative Activities replied "In your case you could no doubt use that money if released to buy long term investments, and it would be maintained on that basis, but we know there are others who would use the money on other things, thus we are not prepared to give our consent to any other use of the Reserve Account", Ibid., f. 19, H.W. Webber to J.H. Dixon, 16 February 1960; J.G. MacGregor to J.H. Dixon, 17 April 1963;

removing farmers from REA memberships when their transformers reached a size the companies defined as commercial, with the result, "that the R E A s shall provide service to the small customer, but when he gets big, the power companies can have him " But his major concern was to move towards an amalgamation of all REAs:

Abandonment and consolidation are taking their toll. In some areas, R E A s as we know them will disappear. So far at least, the only practical way to meet this problem is to share it.

As a first step, Mead suggested the pooling of all REAs' Operation and Maintenance and Deposit Reserve accounts, in order for them to share in the cost of rebuilding. The new reserve would acknowledge the responsibility of the current user, by adding a levy on consumption to the fixed charge, and would be backed up by the government's Revolving Fund.<sup>11</sup>

Mead died in a car accident shortly after his report was published, but it did lead to a joint committee of company, Commission, and AUREA representatives, which worked out a "Package Deal". Each company would pool the reserves of the REAs it served into a single maintenance fund. The contribution of each REA to the fund would equal a fixed percentage its original capital investment (multiplied by a weighted age for its lines) and REAs would receive refunds or increase their charges in order to reach that proportion. In addition, the cost of larger transformers would be paid by the fund, not individual farmers, and the special charge for high transformer capacity would be eliminated.<sup>12</sup>

However, the Package Deal fell apart over the question of what percentage of the original capital investment the REAs would be required to pool. The power companies had suggested three per cent and in the summer of 1968 the Power Commission suggested 2.5 per cent. But the AUREA refused to pay more than two per cent, because according to Mead's analysis any more would be an amortization of the system's capital costs, which REA members had already paid once when they built the

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<sup>11</sup>George Mead, "Rural Electrification in Areas Adjacent to Alberta; A Survey made possible by the Bank of Montreal Canada Centennial Farm Leadership Award," [1967], pp. 35, 31-34.

<sup>12</sup>Foster Research Limited, "Rural Electrification in Alberta; prepared for Alberta Power Limited," 1974, pp. III-45, III-48-51.

lines. In spite of a threat by the Power Commission to enforce a minimum Deposit Reserve of 3.4 per cent on all REAs (without which no refunds would be made), the AUREA stood firm; the minimum was eventually set at three per cent.<sup>13</sup>

After the failure of the Package Deal and with the approval of the Power Commission, in October 1970, Calgary Power presented its REAs with its own revision of procedures, the so-called "Twelve Point Plan". Besides announcing the three per cent minimum Deposit Reserve, the plan's major thrust was to encourage farm customers to increase their transformer capacity to the maximum: charges for transformers of 7.5 KVA or larger were eliminated, capacity changes would be financed by the REAs' deposit accounts (rather than the customer), new customers would receive five KVA transformers (rather than three), and those two capacities would pay the same rate. Calgary Power assured REAs there would be "no increase in the Company's revenue per kilowatt-hour, and the only revenue change is in the REA's own funds."<sup>14</sup>

But an analysis prepared by an economist for Unifarm (born in 1970 of a merger between the FUA and the AFA's commodity groups) pointed out that since the company was encouraging customers who changed transformers to double their capacity, they would change rate categories and end up paying more for the same amount of power. It also maintained that the fact that the largest users of electric power would still have to become direct customers meant, "that eventually the REA's will be completely taken over by the power company." Calgary Power's proposal deliberately bypassed the AUREA and was made to REA boards. In spite of the Union's opposition, and perhaps because it changed very little for individual REAs or customers, REAs representing 53 per cent

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<sup>13</sup>Ibid., pp. III-53-54.

<sup>14</sup>Ibid., pp. III-54-55, 57, GAI, BB 7 B787, f 95, "Rural Electrification in Alberta; Outline of the Plan to Update Procedures", 20 October 1970. The capacity limit at which REA members became direct customers of Calgary Power was first set at ten, then later 25 KVA and three-phase power.

of the company's customers agreed to it in 1971 and by 1976, 150 of the 216 REAs had accepted it.<sup>15</sup>

The AUREA's refusal to compromise and the failure to ratify the Package Deal were indicative of a new militancy. Farm politics had begun to change in Alberta in the late 1960s as world grain surpluses grew and incomes dropped. In 1969 the International Grains Agreement collapsed and prairie wheat farmers earned their lowest farm incomes in a decade. The publication the same year of a report by the federal Task Force on Agriculture, suggesting the government encourage a "rationalization" away from the family farm towards agribusiness, added a political shock and helped lead to the formation of the more radical National Farmers Union in July 1969.<sup>16</sup>

The NFU's competition spurred farm groups such as Unifarm and the AUREA to be more aggressive at a time when the AUREA was presented with an opportunity to confront one of the power companies and Alberta's regulatory process head on. In late 1969 Canadian Utilities applied to the PUB for the first rate hearing in its history and the first ever completed for an electric utility in Alberta. The company received permission for an interim increase, averaging 20.5 per cent for farmers (with other retail customers), for whom the timing could not have been worse. The FUA's bulletin, The Organized Farmer, called it "a further greasing to the skidding economy of the Alberta farmer."<sup>17</sup>

The rate increase provoked an outpouring of anger by members of the FUA, which in January 1970 joined with the AUREA in asking the government to take over the private power companies. A similar resolution was even presented to delegates at an agricultural policy

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<sup>15</sup>Unifarm, Alberta Union of Rural Electrification Associations Records (hereafter, U/AUREA), E.C. Allen, "Calgary Power's Proposal," October 1970, H W Webber, "Historical Information on R.E.A.'s," 23 November 1976, p. 12. The customers served directly were the "major single-phase services" and all three-phase service loads.

<sup>16</sup>Grace Skogstad, "Farmers and Farm Unions in the Society and Politics of Alberta," in Carlos Caldarola, ed., Society and Politics in Alberta: Research Papers, (Toronto, 1979), pp. 228, 235, 236.

<sup>17</sup>Alberta, Advisory Committee on the Regulation of the Electric Power Industry in Alberta, Report, May 1970, p. 16; "Board hearing adjourned -- farmers to pay increased rate," The Organized Farmer, vol. 31, (February 1970), p. 5.

conference of the resurgent Progressive Conservative party (the official opposition since 1967), who eventually voted "that relations between power companies and REA's be renegotiated rather than bringing the power companies under public ownership at this time."<sup>18</sup> The AUREA chose to contest Canadian Utilities' application before the PUB, basing its case on the power companies' 20-year old commitment to provide farmers with "power at cost," and using a major law firm and an American expert on the operating costs of utilities.

Proving that Canadian Utilities had promised farmers power at cost was simple: not only did the AUREA's attorney introduce as evidence verbal and published statements to that effect by the company and its officials, but Raymond Reiersen then acting Minister of Agriculture and from 1955 to 1959 responsible for rural electrification as Minister of Industries and Labour, testified that the power companies had made that undertaking and the government considered it still to be in effect. The AUREA's expert witness then proved Canadian Utilities had never really done it. Dr. Earl Nissel determined that the revenue the company earned on its farm service rate was already \$361,000 over the marginal costs of transmission and distribution, including the allowed 8.5 per cent rate of return.<sup>19</sup>

In the end however, the PUB was most impressed by the AUREA's demonstration that under both the old and the proposed rates, urban residential customers paid less than the majority of farm customers and that even when they paid more, the margins were "very considerably below

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<sup>18</sup>"Protest increases, seek public ownership of power," Ibid, p. 6, contains nine letters of protest from FUA and FWUA members and locals, U/AUREA, FUA and AUREA, "Submission to the Government of Alberta with regard to Public Ownership of Electric Power," 19 January 1970; GAI, Progressive Conservative Party of Alberta Papers, BE 23 P964A, f. 93, "Resolutions passed at Progressive Conservative agriculture conference, Red Deer, January 18, 1970."

<sup>19</sup>Brownlee, Fryett, Walter, Saville, Wittman & Sully, "In the matter of the Public Utilities Board Act, Chapter 85, Statutes of Alberta, 1960: And in the matter of an application of Canadian Utilities, Limited for a revision of its rates to be charged to its customers for electric energy, Written submission on behalf of Alberta Union of Rural Electrification Associations," 4 May 1970, pp. 41-54, 16-17, 11-12.

the cost differentials," arising from the fact that farm customers paid most of their own operating and distribution costs. The PUB denied Canadian Utilities' application and reduced farm rates slightly for small and average customers and increased them slightly for the largest consumers. However, it did so because of the apparent discrimination compared to residential customers, not because farm service was profitable; In a subsequent ruling on Calgary Power's rates the PUB rejected an interpretation of power at cost as meaning rural rates should exclude any return on equity.<sup>20</sup>

A secondary result of the hearings was a renewed interest in rural electrification on the part of politicians. Not only did one minister testify for the AUREA, but the new premier, Harry Strom (who had succeeded Manning as Social Credit leader in 1968), publicly expressed his concern about the impact of the interim rate increase. After the PUB's final decision he began a series of meetings with AUREA and Unifarm representatives, as a result of which his government publicly "reaffirm[ed] the long-standing policy whereby power utility companies will supply farm customers of REA's with electric energy at cost," in April 1971. At the same time, the AUREA and Unifarm (which had begun working closely together in the late 1960s) made a significant concession. with the approval of the AUREA's annual meeting, they reduced their support for public ownership to a general principle. In August 1970, Unifarm and the AUREA executive presented cabinet with a brief asking for enabling legislation for a "central administration" which would pool the REAs' reserve funds, centralize their accounting, and purchase power in bulk for them.<sup>21</sup>

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<sup>20</sup>Ibid, pp 38-39; "Power rate issue remains 'far from concluded' -- Unifarm," The Organized Farmer, vol. 31, (July 1970), p. 1; Foster Research Limited, "Rural Electrification in Alberta," p IV-3.

<sup>21</sup>"Strom concerned about rate boost," The Organized Farmer, vol. 31, (February 1970), p 5, government's statement of policy cited in "Unifarm scores points in power debate," Ibid., vol. 32, (April 1971), p 2. U/AUREA, FUA and AUREA, "Submission to the Government of Alberta with regard to Public Ownership of Electric Power," 19 January 1970; Unifarm and AUREA, "Presentation to the Provincial Cabinet," 17 August 1970; AUREA, "Central Administration for Rural Electrification Associations," 1 February 1971.

While the government initially countered by proposing rural customer representation on a new authority to replace the Power Commission, in April 1971 Strom also endorsed the idea of a central administration and promised legislation in the 1972 session to provide it with interim financing. The Conservatives had already gone even further: during the PUB's hearings their agriculture critic, Hugh Horner, had said there should be no rate increase, deposit charges should be stopped and the reserves refunded to REAs, and a single, province-wide REA formed to improve farm customers' bargaining power. After Strom reaffirmed the policy of power at cost, Conservative leader Peter Lougheed said the principle should be written into the proposed legislation on a central administration, though the Premier had already promised the law would include formulas to ensure power at cost.<sup>22</sup>

Strom's legislative plans ended with his political career in the summer of 1971, when Lougheed's Conservatives swept to a majority government in the provincial election. But far from passing still more far-reaching legislation, the Conservatives took no action at all on rural electrification. In April 1972, the minister responsible for rural affairs told the legislature a government-owned utility to supply rural electric customers was being considered, but the cabinet did not even reply to requests for a central administration made by the AUREA and Unifarm in December 1971 and 1972. When Calgary Power applied for a rate increase in November 1972, Len Werry, the Minister of Telephones and Utilities was asked whether his government still intended to enshrine the policy of power at cost in legislation. He replied: "The Public Utilities Board is the one to establish the appropriate rate that should be struck for REA users." The government provided loans for the AUREA to intervene in PUB hearings, but the high costs of the process

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<sup>22</sup>"Unifarm scores points in power debate," The Organized Farmer, vol. 32, (April 1971), p. 2; Edmonton Journal, 28 April 1971, Horner cited in "Strom concerned about rate boost," The Organized Farmer, vol. 31, (February 1970), p. 5.

still prevented it from contesting all applications for rate increases.<sup>23</sup>

The Strom government's only completed initiative had been to leave the Conservatives without the Power Commission. In 1968, a draft bill for a new Power Commission Act had aroused heated opposition: from the private power companies for maintaining the expropriation powers of the 1944 Act, and from the municipalities for proposing new powers over the construction of facilities, which they feared would oblige them to build an integrated (and therefore cross-subsidized) provincial system. In April 1971, the Power Commission was replaced by the Energy Resources Conservation Board, which no longer had the power to take over power facilities and was limited to regulating the technical aspects of electric power. To this, the Conservatives simply added a branch of the bureaucracy to supervise rural electric services. In 1975, NDP leader Grant Notley asked Roy Farran, the Minister of Telephones and Utilities, whether "a central administrative agency for all the REA's" would be established. Farran answered that "in effect we have done that with the establishment of the rural utilities branch of my department."<sup>24</sup>

Having chosen inactivity, the Conservative government ended up presiding over the rapid decline of Alberta's rural electric system. As

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<sup>23</sup>Edmonton Journal, 30 April 1972; U/AUREA, AUREA, "Submission to the Provincial Government on Rural Electrification," 15 October 1974; Alberta, Alberta Hansard, 17th Legislature, (22 November 1972), pp. 80-55; U/AUREA, Keif Westby, "Address to the Unifarm Annual Convention; Utilities and the Farmer," 11 December 1975. According to a post-election survey, farmers had the highest level of support for the Conservatives in 1971 of any occupational group (67 per cent), though the party was dominated by lawyers and other urban professionals, and the lowest level of support for Social Credit (21 per cent). At 12 per cent, farmers also had the highest level of support for the New Democratic Party, David K. Elton and Arthur M. Goddard, "The Conservative Takeover, 1971," in Carlos Caldarola, ed., Society and Politics in Alberta, (Toronto, 1979), Table 2, p. 56.

<sup>24</sup>Edward J. Romaine, "Control of Alberta power is at stake," Financial Post, 10 August 1968; Alberta, Statutes of Alberta, 1971, 20 Elizabeth II, Chapter 49, The Hydro and Electric Energy Act; Alberta, Alberta Hansard, 17th Legislature, (5 February 1975), p. 357. In September 1972, the government cancelled a provision of Calgary Power's 1960 Brazeau Dam license which would have required it to buy the facility in case of non-renewal, saying it had no intention of taking over the company, see *infra*, Chapter Three, n 43.



Table XI shows, farmers began abandoning their cooperatives to the power companies in the mid-1970s and in the years between 1978 and 1983, the number of active REAs dropped from 358 to 272.<sup>25</sup> The Gilby REA was among the first to sell out. The minutes of a meeting of its board of directors list its reasons for asking Calgary Power for a purchase offer:

The lack of interest shown by the members in the affairs of their association For a period of 12 years there were an average of less than 3 members attending annual meetings other than board members. Some years all board members were not present. This lack of attendance at annual meetings necessitated the election of almost the same officers year after year; a poor policy for the Association and at times [it] made for some disgruntled board members.

The system is now about 23 years old and most of it is due for a rebuilding in a short time At present prices the task would deplete most of the reserves, which would mean higher maintenance charges to build up the reserves again.

In return for slightly higher rates, the Gilby REA's approximately 185 members would split \$18,250 paid them by Calgary Power for their assets and the \$47,863 in their reserve. Also in return for higher electric bills, any improvements to their lines would be paid for by the company out of its revenues and not by the farmers <sup>26</sup>

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<sup>25</sup>Alberta, Department of Utilities and Telecommunications, Annual Report, 1977-78, p. 18; Ibid., 1982-83, p. 21. The number of customers is the most reliable indicator, however, since the figures for the number of REAs sold and those still active are not internally consistent when compared from year to year.

<sup>26</sup>PAA, Gilby R.E.A. Ltd. Papers, Acc. 84.225, Item 2, Minute book, Board meeting, 22 August 1974; Special meeting, 29 October 1974.

TABLE XI

RURAL ELECTRIC CUSTOMERS BY ORIGINATOR OF SERVICE  
AND BY UTILITY ORIGINATING ELECTRICITY, 1971-1985

Utility	total farm customers	REA members	directly served by utilities	†*
1971				
Calgary Power	45,592	41,656	3,936	
Canadian Utilities & Northland Utilities	18,861	17,883	978	
Municipal utilities	-	-	-	
Total	64,485	59,571	4,914	7.6
1973				
Calgary Power	46,343	43,285	3,058	
Alberta Power	19,253	18,287	966	
Municipal utilities	-	-	-	
Total	65,596	61,572	4,024	6.1
1975				
Calgary Power	50,447	45,475	4,972	
Alberta Power	20,237	19,279	958	
Municipal utilities	-	-	-	
Total	70,684	64,754	5,930	8.4
1976				
Calgary Power	52,163	44,737	7,426	
Alberta Power	20,737	19,780	957	
Municipal utilities	-	-	-	
Total	72,900	64,517	8,383	11.5
1977				
Calgary Power	54,259	46,028	8,231	
Alberta Power	21,725	20,768	957	
Municipal utilities	-	-	-	
Total	75,984	66,796	9,188	12.1
1978				
Calgary Power	56,590	47,449	9,142	
Alberta Power	22,264	21,225	1,039	
Municipal utilities	-	-	-	
Total	78,854	68,674	10,181	12.9

Utility	total farm customers	REA members	directly served by utilities	8*
1979				
Calgary Power	58,112	48,666	9,446	
Alberta Power	22,682	21,566	1,116	
Municipal utilities	-	-	-	
Total	80,794	70,232	10,562	13 1
1980				
Calgary Power	58,964	48,543	10,421	
Alberta Power	23,573	22,434	1,139	
Municipal utilities	-	148	148	
Total	82,685	70,977	11,708	14 2
1981				
Transalta Utilities	58,742	47,669	11,073	
Alberta Power	23,884	22,157	1,727	
Municipal utilities	-	148	148	
Total	82,774	69,826	12,948	15.6
1982				
Transalta Utilities	61,780	45,357	16,423	
Alberta Power	25,119	21,876	3,243	
Municipal utilities	-	189	157	
Total	87,056	67,223	19,823	22.8
1983				
Transalta Utilities	62,508	41,550	20,958	
Alberta Power	25,722	17,931	7,791	
Municipal utilities	-	160	160	
Total	88,390	59,481	28,909	32 7
1984				
Transalta Utilities	62,297	39,808	22,489	
Alberta Power	26,099	16,648	9,451	
Municipal utilities	-	130	130	
Total	88,526	56,456	32,070	36 2
1985				
Transalta Utilities	62,983	39,277	23,706	
Alberta Power	26,471	16,360	10,111	
Municipal utilities	-	111	111	
Total	89,586	55,637	33,949	37 9

\*My calculation.

Source: Alberta, Energy Resources Conservation Board, Cumulative Annual Statistics, Alberta Electric Industry, 1971 to 1976, Alberta Electric Industry, Annual Statistics, 1977 to 1985

But while most REAs were plagued by Gilby's problems of apathy and worn-out lines, Calgary Power and Alberta Power (the name the merged operations of Canadian and Northland Utilities took in 1972) were not interested in buying the unprofitable ones. In the spring of 1976, rural electrification became front-page news in Alberta again, when the Rochfort REA (near Mayerthorpe) applied to the ERCB for permission to discontinue service. Its members had voted to sell the system to Calgary Power, but the company would not buy it. The need to rebuild the system, which George Mead had pointed out almost a decade earlier, had become unavoidable while record inflation left deposit reserves accumulated at an annual rate of three per cent hopelessly inadequate. Commenting on the case, the acting director of the government's rural electric branch told the Edmonton Journal REAs throughout the province were "living on borrowed time." The cost of replacing Rochfort's lines had been estimated at \$11,000 in 1973, but by 1976 the cost was \$57,000 -- for an REA with 72 members and an existing deficit of \$3,000.<sup>27</sup>

A complicated solution was finally worked out for the Rochfort REA under which the ERCB ordered Calgary Power to take over operation of the system provisionally and carry out the necessary repairs. In 1977, the REA exercised its right to regain ownership, but a special levy of \$120 per member was assessed to pay Calgary Power for its work. The extent of political improvisation is demonstrated by the fact that the Minister of Utilities and Telephones left the matter entirely in the ERCB's hands, although the government had followed a very different course in a less-publicized case three years earlier. In 1973, the Paddle River REA had faced \$140,000 in repairs its Deposit Reserve could not finance and received a special \$70,000 government grant and an interest-free loan for the same amount under Part 2 of the Rural Electrification Revolving Fund Act. Members paid a \$1 00 monthly surcharge to repay the loan, but as a 1977 report on Deposit Reserves pointed out: "The problem with this type of financing is that the normal D.A [Deposit Account] assessment does not build up fast enough to provide funds required for

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<sup>27</sup>"As poles rot and lines snap, REAs face serious, baffling money and safety crunch," St. John's Edmonton Report, 12 July 1976, pp. 17-19; Edmonton Journal, 16 June 1976.

the next major expenditure which will have to take place within a year or two."<sup>28</sup>

The AUREA's solution to the financing crisis was a new master contract with the power companies to allow REAs to serve all of the commercial customers in their area, which Calgary Power dismissed as an attempt to have them cross-subsidize farm rates. The government, for its part, once the ERCB had patched together a solution for the Rochfort REA, initiated a round of studies and consultations by striking a Conservative caucus committee, "to examine the problems of the Rural Electrification Associations of Alberta."<sup>29</sup>

The committee's report strung together a number of ambiguous or limited recommendations which seemed designed to alter the existing rural electric system as little as possible, where problems were most pointed, it recommended more financial assistance from the government. For instance, it recommended REAs increase their Deposit Reserve charges "to bring them into line with a realistic assessment of their position," but acknowledged "that some government assistance might be necessary," where such a charge "would be unreasonably excessive." It recommended "that where a more efficient operation would result, the R E A s be encouraged to amalgamate into regional areas," but government assistance should ensure mergers did not lead to REAs with large Deposit Reserves subsidizing those in financial difficulty. For REAs like Rochfort, "in present difficulty needing further financial aid for construction and reconstruction," the committee endorsed the Paddle River formula of "part grant and part loan."

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<sup>28</sup>Alberta, Energy Resources Conservation Board, Report of Operations, 1976, p. 7-26, Alberta, Department of Utilities and Telephones, Annual Report, 1976-77, pp 19-20; Annual Report, 1978-79, p. 17; Edmonton Journal, 6 July 1976; H W Webber, "Deposit Reserve Study; Rural Electrification Associations[,] Alberta," 11 February 1977, p. 26.

<sup>29</sup>"With a juicy rural electrification fight, socialists and free enterprisers mix it up." St. John's Edmonton Report, 12 July 1976, p 17; [Alberta], "Caucus Committee Submission Regarding R E A.'S," July 1977. The AUREA's proposal for a new master contract was introduced as a private member's bill by NDP leader Grant Notley, Alberta, Alberta Hansard, 18th Legislature, (19 October 1976), p 1541.

The committee did recommend a few specific changes to increase the powers of the REAs versus the power companies: it suggested opening REA construction and repairs to tender; allowing farmers with 25 KVA transformers and using three phase power to remain REA members; reviewing the power companies' purchases of REA lines under clause 14 (c), in order to allow REAs to recover them "where it is necessary in order to maintain an efficient, economic operation," and to ensure the power companies paid their share of the maintenance costs. But on the most important point, the AUREA's long-standing proposal to form a central agency, the committee could only recommend "some form of controlling agency," which could be "an operating company administered by all the REAs," or by only a group of them, or merely "a controlling agency to monitor cost estimates...."<sup>30</sup>

The government eventually implemented some of the caucus committee's recommendations: in particular, it followed the MLAs' advice to give out more grants, against the advice of its civil servants and technical consultants. In February 1977, H.W. Webber, then acting director of the branch of the Department of Consumer and Corporate Affairs supervising the REAs, concluded a 40-page report to the deputy ministers of Utilities and Telephones on the Deposit Reserves: "...An association wishing to remain autonomous must bear all the costs, or if an R.E.A. no longer wished to accept the responsibility to do so it could sell to the Power Company, and would be given help to do so by a one time grant if it was not economically feasible for the Power Company concerned to purchase an existing system." Just over a year later, a consultant's report to the Department ruled out rebuilding the REAs lines with conventional loans, because "the relatively short repayment terms required create too great a burden," as well as grants, because "they provide a direct subsidy, [and] they discourage the building up of adequate D.A. (D.R.) funds..." The solution was to fully pool Deposit Reserves on a company-wide basis and "adjust" their charges, and for the government to provide new loans for rebuilding, with little or no down

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<sup>30</sup>Alberta, "Caucus Committee Submission Regarding R.E.A.'S," July 1977, pp. ix-xi.

payment, "at a reasonable, but not a subsidized interest rate, with repayment through power billings over a relatively long period of say 20 or 25 years "<sup>31</sup>

Instead, in 1977 the government began a program of capital grants to REAs for line reconstruction. In fiscal 1978, it gave out \$2,226,524.72, after announcing only \$1 million for the program in its budget. In April 1979, a policy was established to make available grants totalling 40 per cent of the outstanding interest free loans from the Rural Electrification Revolving Fund. The government also followed the caucus committee's suggestion to help with amalgamations. In 1979, five REAs in north-central Alberta facing pole replacement costs which would have overwhelmed their reserves voted to amalgamate into a single 1500-member REA; a \$14,000 grant from the government eliminated the differences between the five Deposit Reserves and another special grant covered some of the exceptional costs of the merger. Association dues allowed the Landing REA to hire a full-time manager and a part-time secretary to monitor costs and serve the members, most of whom now paid lower deposit charges. The government was less successful in persuading REAs to pay more money into their Deposit Reserves. In spite of the Rural Electric Branch's urgings, by early 1980, 149 of the 351 REAs still had the same reserve charges they set at the time of construction.<sup>32</sup>

Incredibly, by the fall of 1979, yet another caucus committee was studying rural electrification: it received diametrically opposed submissions from the AUREA and Calgary Power: the AUREA proposed that the operation of Farm Electric Services Ltd. and Alberta Power's rural services be taken over by a single operating company owned by REA

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<sup>31</sup>H.W. Webber, "Deposit Reserve Study; Rural Electrification Associations[,] Alberta," 11 February 1977, p. 39, H and L Consultants Ltd., "Summary of Study of Operation and Maintenance Funds and Reserve Funds for R E A s," April 1978, p. 18

<sup>32</sup>Alberta, Department of Utilities and Telephones, Annual Report, 1978-79, p. 17; Alberta Alberta Hansard, 18th Legislature, (29 March 1976), p. 379; Alberta, Department of Utilities and Telephones, Annual Report, 1984-85, p. 28; "Does Bigger Really Mean Better?," Rural Utilities Newsletter, vol. 1 (July 1980), pp. 4-6; "R E A.s in Trouble," Ibid., vol. 1 (February 1980), p. 2.

members and that the government develop a system of grants to assist in the building and rebuilding of its lines.<sup>33</sup> Calgary Power, on the other hand, told the MLAs that "expanding the role of the REA [would be] a counter productive step "

It is Calgary Power's submission that the original objectives of rural electrification have been achieved and that expanding the role of the REA now creates more problems than it solves. The long term solution which recognizes today's [sic] changed circumstances and which we believe would be in the best interest of the farmer and the Province as a whole is for the REAs to continue to dispose of their interests in their distribution facilities to the Power Company and for the Power Company to be totally responsible for providing and maintaining electric service to the rural community.<sup>34</sup>

It fell to the Rural Electric Council, which the government had set up in the mid-1970s for discussions between it, the AUREA and the power companies, to attempt to build a consensus in face of this fundamental disagreement

In early 1980, the Rural Electric Council produced a radical proposal for submission to the REAs: all of their systems would be sold to the power companies. Each member would receive a payment in cash or power company shares, made up of the purchase price and his share of the deposit reserve, less his outstanding rural electrification loan. The provincial government would spend roughly \$11 million per year to subsidize a farm electric rate reduction of approximately 20 per cent, standardizing them across the province at a level comparable to Manitoba and Saskatchewan. The costs of pole and line replacement would be built into the rates (eliminating the deposit reserve) while loans would continue to be available for new higher-capacity facilities. Overseeing this new system would be a Rural Electrification Advisory Council made up of 12 representatives from the farm community, two from the government, and two from each of the power companies, to "ensure that whatever financial support is provided by the provincial government benefits only the farm consumer," and make recommendations as to the

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<sup>33</sup>U/AUREA, AUREA, "Submission to the Special Caucus Committee on Utilities," 26 November 1979.

<sup>34</sup>U/AUREA, Calgary Power Ltd., "Submission to the Caucus Committee on Rural Electrification," September 1979.



level of government support needed to achieve "the appropriate level of electric rates for the farmers within Alberta" <sup>35</sup>

The AUREA's Board of Directors voted unanimously to recommend the proposal and brought it to the membership. "The main reason for supporting the R.E.C. proposal was that it would give all farmers in Alberta electric power rates equal to or better than anywhere in Canada without having to carry a deposit reserve account," the Board of Directors told delegates to the 1980 convention. Since the divided ownership of Alberta's electric system made a simple cross-subsidization through the rate structure impossible, the government would supply the funds directly. The proposal's strength was that "it is acceptable to the power companies and if this meeting recommends that the REAs accept it, we think the Alberta Government will make the necessary funds available." The generous funding provided by the REC's proposal had been a concession to AUREA representatives in return for their dropping the long-standing demand for a central, farmer-owned agency or operating company to pool all the REAs' resources. However, the AUREA Board of Directors hedged their bets and submitted both the REC proposal and a plan for creating a centralized operating company to the REAs. <sup>36</sup>

The members were not particularly impressed with either possibility. Many were dismayed to discover they would be selling the system, but would still have to pay the thousands of dollars in costs for new infrastructure. "It doesn't make any sense," a member of the One Tree REA near Brooks observed. "Someone's losing money." In a report to convention delegates, the director advocating a centralized agency admitted

I attended all six regional meetings in February and March [... ] All of the meetings but one had a larger attendance than the previous year. The delegates displayed a very keen interest in the proposals that were presented. There was one message however that came out to me loud and clear from these meetings: PUBLIC POWER! Without exception at every meeting someone asked the question, why doesn't the government simply implement public power? Regions 5 and 6 passed resolutions requesting public power.

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<sup>35</sup>U/AUREA, Program of the AUREA Annual Convention, 1980, pp. 4, 6, 26-27.

<sup>36</sup>Ibid, pp. 7, 28-29, 9

The number of REAs who sent the Board of Directors calls for public power outnumbered those approving either proposal <sup>37</sup>

At the AUREA's June 1980 convention, the delegates defeated a resolution moved by president Alfred McGhan to endorse the Board of Directors support for the REC proposal. McGhan later called it "a rough meeting," at which "the members told us in no certain terms they didn't think much of the idea [of selling REA assets to the power companies]". The delegates did vote to give the directors "a mandate to continue negotiating . for a combined power system with REA members' costs to be administered by an REA-owned operating company". They also passed resolution calling on the provincial government to "create a Crown Corporation to own and operate the generation and transmission of electrical power in the province" and "that the municipalities be allowed to continue to distribute and retail power to their customers, and rural Alberta create a new entity to distribute and retail power."<sup>38</sup>

The AUREA effectively killed the REC proposal, but the government was no more anxious than before to follow the convention's advice on other solutions. The Minister of Utilities and Telephones, Larry Shaben, pointed out only about 200 of the province's 70,000 REA members attended the convention: "I don't feel comfortable in moving on a recommendation made in that way." A year later the AUREA Board of Directors was able to report no progress on a centrally-administered operating company and "no indication at this time" that the government was considering public ownership. In fact, director at large Herman Schwenk told delegates to the 1981 convention "There are times when I think government is working against us in very small ways." Government officials had agreed with the merits of simpler proposals such as more stringent procedural requirements for REA meetings approving the sale of assets, or a fund to lend money to REAs at a preferred rate for

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<sup>37</sup>Calgary Herald, 20 March 1980; U/AUREA, Program of the AUREA Annual Convention, 1980, pp 10, 4

<sup>38</sup>U/AUREA, Minutes of AUREA Annual Convention, 1980, pp. 20-21 (unfortunately, the minutes do not give the results of the vote); "The REAs dispute their fate; Rural electrification co-ops have lost their zing -- but they hate selling out to capitalists," Alberta Report, 22 May 1981, p 22

rebuilding and upgrading, but "there has been practically no action on any of them"<sup>39</sup> In the meantime, REAs were selling their off their assets to the power companies at an ever-increasing rate' as Table XI demonstrates, their membership began an absolute decline in 1981

However, at the end of 1981, the government acted to solve the issue of electric rates separately from the physical decline of the rural system The Conservatives established the Alberta Electric Energy Marketing Agency, to buy all the electricity generated by TransAlta Utilities, Alberta Power, and Edmonton Power, pool it, and sell it back to them at an averaged price. As of September 1, 1982, customers of Alberta Power received an over-all rate reduction of approximately 30 per cent, while customers of TransAlta Utilities were blinded to their rate increases by a five-year "shielding program" under which the government subsidized them on a steadily decreasing basis Without interfering with power company profits, the government had finally achieved cross-subsidization of electric rates in Alberta in time for a provincial election Two years later, the government completed the process for the benefit of rural customers, pooling the REA rate across the province and averaging it with that for urban residential customers<sup>40</sup>

At the AUREA's 1983 convention, the new Minister of Utilities and Telecommunications, Bob Bogle, announced yet another task force to review the state of rural electrification, but this one finally led to concrete action. By the time Bogle addressed the next convention in June 1984, he had issued not only a ministerial statement on rural electrification, but a series of amendments to the statutes governing

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<sup>39</sup>Alberta, Legislative Assembly, Alberta Hansard, 19th Legislature, (17 November 1980), p 1555, U/AUREA, Program of the AUREA Annual Convention, 1981, p 24a, 9

<sup>40</sup>Alberta, Electric Energy Marketing Agency, Annual Report, 1983, pp 7, 15, 13, Kenneth Whyte, "Much ado about EEMA, Cities object to subsidizing rural power," Alberta Report, 26 November 1984, pp 9-10 While the cities decried the averaging of urban and rural residential rates, the AUREA called for a two per cent increase in the power companies' industrial rates, which they maintained would provide for a 20 per cent decrease in the domestic rate, Jennifer Westaway, "The rural power struggle, Farmer co-ops battle electricity's big boys," Ibid., 11 July 1983, p 23

the REAs Henceforth, proposals for the sale of an REA would require notice prior to the meeting and the approval of at least two-thirds of the members present, the limit for loans from the Rural Electrification Revolving Fund was increased from \$20,000 to \$25,000; for the first time, the loans were made available to individual farmers living where there were no REAs and for the installation of service of more than 25 KVA (large single-phase and three-phase power) In addition, the Minister called on the REAs and the power companies "to consider incorporating the following principles, as approved by this government, in the new master agreements "

- a That a uniform contract be used by the REAs and the companies and that where special circumstances warrant addenda to that contract, this would be encouraged.
- b That REAs have the option to provide all farm services, including single-phase and three-phase customers
- c That the deposit reserve funds can be administered by the REAs
- d That REAs be given the right to hire their own contractor for original and reconstruction [sic] of their own distribution systems

For once, a cabinet minister had listened to the AUREA: the principles were precisely the objections to the Master Contract its leaders had listed in a brief to Bogle a year earlier and the new regulations for approving the sale of an REA responded to a long-standing request. They were also the specific recommendations the Conservative caucus committee on REAs had made seven years before <sup>41</sup>

Together, these initiatives represented a slight shift in the balance of power away from the power companies and towards the REAs and the requirement for a two-thirds majority actually prevented some sales of REAs to the power companies. The principles Bogle laid out for a new Master Contract were endorsed in a memorandum of understanding in

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<sup>41</sup>Alberta, Sessional Paper No. 322/84, "Ministerial Statement, Department of Utilities and Telecommunications, Rural Electrification," 14 May 1984 (virtually the same text is in Alberta, Legislative Assembly, Alberta Hansard, 20th Legislature, [14 May 1984], p. 834); U/AUREA, "Report to Hon Bob Bogle, Minister of Utilities & Telecommunications," [31 January 1983]

January 1985 and gave the REAs a limited financial autonomy. The AUREA's president Alfred McGhan wrote that "the activity created by negotiating and signing a new contract has given us a temporary reprieve," though the progress of individual negotiations was slow (only 47 of 206 agreements had been completed by August 1986). But in a letter to the new premier, Don Getty, McGhan also wrote. "Up to the present time we have lost almost 33% of the REA system. There is nothing in the new contract to change that trend in the long term." He appealed to Getty for government support in creating a central agency through a common deposit reserve for all the remaining REAs, with which they "would no longer be vulnerable to Utility Company take over because they would accomplish financing capital work without having to prepay for future work."<sup>42</sup> As of the summer of 1989, however, the AUREA has made no progress towards the centralized agency it first proposed twenty years before.

But though the Conservatives took few new initiatives, they have left their mark on the REAs first set up by the Social Credit government. They increasingly resemble the rural gas cooperatives the new Conservative government established in the early 1970s. The situation then facing them was remarkably similar. the Conservatives had promised to help provide farms with natural gas in the 1971 election, which the government justified as allowing rural Albertans "a fair share of the benefits enjoyed by the people of this province from their ownership of natural resources." The large private gas utilities had connected Alberta's concentrated urban markets and avoided rural customers, only 25 per cent of whom had natural gas by 1973, most provided by individual taps from pipelines and by 46 rural cooperatives. "The major gas utilities have often entered the rural field in partnership with a farmer gas co-operative, but no one pretends that the scattered rural consumers present a lucrative market for franchise holders," a government position paper explained, admitting it would be

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<sup>42</sup>Alberta, Alberta Hansard, 21st Legislature (27 August 1986), p 1337; Alberta, Department of Utilities and Telecommunications, Annual Report, 1984-85, p 28, U/AUREA, A.C. McGhan to Don Getty, 17 December 1985.

an unprofitable venture. In fact, the stated "Core of the Policy" was: "Since cross-subsidization through the rates is no longer possible across the province, equalization has to be achieved through the general provincial revenues -- either by way of grant or guaranteed loan or both "<sup>43</sup>

Like Social Credit with rural electrification 25 years earlier, the Conservatives never considered public ownership of the gas utilities, but their solution to the problem was to throw public money at it. Farmers were originally obliged to pay only a maximum of \$1,700 of the estimated maximum cost per farm of \$3,000, and 85 per cent of that could be borrowed using government-guaranteed loans. As mounting inflation raised the costs past initial estimates, the government increased its contribution, till the grants covered 65 per cent of construction costs. The natural gas cooperatives were also designed to be much more viable operations than the REAs had been. The franchise boundaries were to be set as widely as possible and rural municipalities (counties) were encouraged to set up gas utilities, which four did. In addition, the provincial Utilities Department provided rural gas cooperatives with business and engineering assistance, an optional customer billing system, and acted as their provincial broker, buying from suppliers and selling to the rural distributors at a uniform price.<sup>44</sup>

The rural electric system's physical deterioration, combined with the erosion of the REAs' deposit reserves by inflation, demonstrated their fundamental inadequacy: they were captives of their suppliers, undercapitalized, and made up of farmer-members with more pressing concerns -- not so much true cooperatives as organizations for a joint

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<sup>43</sup>Alberta, Department of Telephones and Utilities, Rural Gas Policy for Albertans, 1973, pp. 1-7.

<sup>44</sup>Ibid, p. 8-12, Alberta, Department of Transportation and Utilities, Natural Gas for Rural Albertans, 1986, pp. 3-4. The result was actually praised by New Democratic Party leader Grant Notley as "one of the really good programs we have in place in this province. The difference between the rural gas co-ops and the REAs is that we have given [them] much more autonomy to be functioning business units and make important decisions. as opposed to the situation where REAs have essentially been vehicles. for the power companies...", Alberta, Legislative Assembly, Alberta Hansard, 20th Legislature, (17 May 1984), p. 939

liability. The farmers saw that liability as an obligation to pay for electric lines twice and many members preferred to see that payment buried in their total electric bills rather than continue to bear a formal responsibility for it. For their part, the power companies were willing to acquire and improve the rural infrastructure they had not been prepared to build.

The Conservative government found an original formula to allow urban-rural cross-subsidization of rates while leaving the power companies in private hands, then finally reinforced the REAs slightly with larger subsidies and increased financial powers. But those measures merely meant reconstructing rural power lines became a more viable enterprise for those farmers who chose to undertake it, while the system they were building remained outside their control.

## CONCLUSION

After so many words on the subject of farm electric service, a caveat is in order. While electric service has obviously been essential in allowing farm families a standard of living approaching that of urban families, it has always been a minor part of total farm operating costs. Even by 1966, for instance, when virtually all Alberta farms had electric service, electricity and telephone bills combined were only 1.3 per cent of total farm operating expenses. Since prairie agriculture is extensive and not intensive, fossil fuels have always been the more important energy source. In 1981, the average Alberta farm spent only \$796 on electricity, compared to \$5,237 spent on gasoline and diesel fuel.<sup>1</sup>

Electricity, then, is a small part of the "cost-price squeeze" farmers face, as a competing independent producers who sell produce to and buy supplies from large corporate oligopolies and monopolies. Yet electric service also serves as its perfect illustration: Alberta farmers's incomes depend on the prices they are paid in fluctuating national and international markets, while the power companies are monopolies which sell at a price set by the Public Utilities Board so as to guarantee them a healthy return on their equity.

At the beginning of this thesis, I set out the premise that farmers are forced, in face of their exploitation by the capitalist enterprises they deal with, to constantly increase their own productivity, until they finally underpay their own labour. The contradiction of agriculture in a capitalist economy is that this process can not be allowed to go on continuously, or the physical minimum required to sustain the farm community will disappear and with it the possibility for further corporate capital accumulation. The solution to the problem is presented by the government, which injects new funds and allows accumulation to continue.

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<sup>1</sup>Alberta, Department of Agriculture. A Historical Series of Agricultural Statistics for Alberta, [1967?], p. 119; Canada, Statistics Canada, Farm Energy Use 1981, 1983, Table 5, p. 35.



Rural electrification is an excellent example of this. From the 1920s through the 1950s, the huge cost of individual electric service was beyond the resources of all but the wealthiest farmers, while for the power companies the financial benefits of building a rural infrastructure were negligible, if not negative. Yet eventually, electric service became an essential element in giving farmers a standard of living roughly comparable to that enjoyed by the rest of Albertan society, failure to provide it would have created such a gap between rural and urban life that agriculture would have become a marginal economic activity. The only means to provide rural electrification was government intervention.

The usefulness of analyzing rural electrification in Alberta, then, is that it provides a means to see government intervention in the social condition of agriculture from 1920 to the present. In fact, I believe the differing approaches to rural electrification by the United Farmers of Alberta, Social Credit, and Progressive Conservative governments offer illustrations of their general political relationships to Alberta farmers. In Vernon Fowke's words: "It is a question of the place of agriculture within the price system and of the views of the government concerning the maintenance or alteration of that place."<sup>2</sup>

The United Farmers of Alberta entered electoral politics in 1920 with a program espousing public ownership of monopolies, including electric utilities. But the individuals who drafted the platform were not the same as those elected to the legislature, and the movement's program bore little relationship to the government's actions during 14 years in power. Rather than government in the interest of the farmers, the UFA provided "business government" -- non-partisan public administration whose aim was to improve the public finances. The government's natural inclinations were reinforced by the problems left by the previous Liberal government, which had piled up the province's debt load to build expensive infrastructure which became increasingly unprofitable in the depressed economic conditions of the early 1920s. A

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<sup>2</sup>Vernon C. Fowke, The National Policy and the Wheat Economy, (Toronto, 1957), p. 289.

case in point was rural telephone service, only offered after the government had taken over the Bell Telephone Company's operations in 1908, but whose expansion was cut back by the UFA in 1923 because of the heavy deficits it incurred

The UFA government had little interest in taking over electric generation and distribution: in a controversy over control of the Bow River's water power, its priority was merely to gain provincial control in order then to grant the rights to the privately-owned Calgary Power company. But the issue of control over hydro-electric power sources brought the issue to the attention of UFA members; their convention resolutions made clear that they understood both the potential of rural electric service and the fact that it could only be made widely available under public ownership allowed the system to invest in an unprofitable service. Their demands forced the government to consider public ownership and rural electrification in the late 1920s, though at first it was intimidated by the heavy cost. The cabinet was cheered by improved economic conditions and intrigued by the possibilities hydro-electric power seemed to offer for industrial development, and actually considered a project following the model of the Hydro-Electric Power Commission of Ontario.

However, even before technical studies of rural electrification's feasibility could be considered, the collapse of the Alberta economy in the Great Depression of the 1930s wiped the question from the government's agenda. On the contrary, the government rid itself of the deficit-ridden rural telephone system, either allowing it to fold completely or handing all financial responsibility over to local mutual companies. The voters of Alberta did not appreciate the UFA government's loyalty to a balanced budget over social welfare and in 1935 it was thrown out of office in favour of the new Social Credit movement, which promised ready money and the elimination of personal and public debt.

Social Credit drew much of its support from farmers, originally for its promises of monthly cash dividends, but later also for its debt adjustment legislation which, though unconstitutional, provided relief for indebted farmers until the recovery of the agricultural economy

during the Second World War. However, this extensive support has served to obscure the fact that Social Credit was not a farmer's movement. The UFA movement had emphasized the farmers's group interests and the UFA government had encouraged their economic self-sufficiency through cooperatives. Social Credit's caucus and cabinet, on the other hand, were dominated by the small-town professionals and businessmen which the UFA's approach had excluded and even alienated.

The resulting ambiguity in the Social Credit government is shown by its confused reactions to the issue of rural electrification during the 1940s; the confusion was heightened by the settling of the issues of private debt through court decisions and public debt through a settlement with the province's bondholders, hastening Social Credit's drift towards conservative, anti-interventionist policies. Yet at the same time the Second World War created a general expectation in Canadian society that, after the war, social conditions would change for the better: the Alberta farm movement expressed this in part through demands for rural electrification, while Alberta farm voters expressed it through sharply increased support for the social democratic Co-operative Commonwealth Federation.

The government created the Alberta Power Commission in 1943 with the power to take over the facilities for the generation and distribution of electricity and presented it to the voters in the 1944 provincial election as a step towards rural electrification. But the Commission was a shell the government was not anxious to fill. In 1947, both a private consultant and the Power Commission's members recommended to Premier Manning that the best and least expensive way to provide rural electrification was to take over the private power companies and allow the profitable urban and commercial services to cross-subsidize farm service. Manning -- preoccupied both by philosophical objections and concerns over public debt -- ignored that advice and made it clear to the power companies he wanted them to provide rural electric service in order to relieve him of the political necessity of providing it through public ownership.

To absolve his government completely of the responsibility of choosing between rural needs and the power companies' profits, Manning

presented voters in the 1948 election with a plebiscite, in which they could choose between continued private control of electric power facilities or development under the Alberta Power Commission. With the final results tabulated under suspicious circumstances, the plebiscite resulted in a majority of 139,991 votes to 139,840 for private ownership. A detailed analysis of the results shows that the vote of the cities for private ownership defeated the vote for public ownership in non-urban ridings, and that within non-urban ridings, the towns and villages generally voted for private ownership while the farms voted for public power. While officially neutral, the Social Credit government had been able to use the unwillingness of town and city dwellers to subsidize farmers' electric service to gain a mandate for continued private control; it used the plebiscite to eliminate the only real issue in the election campaign and easily retained its parliamentary majority.

The vehicle the government then created for rural electrification was built to the power companies' specifications: farmers formed cooperatives which were supplied with electricity "at cost" by the power companies, but which left them with all of the financial burden of building the system. In addition, the contract the Rural Electrification Associations signed gave the power companies control over everything from their rates to their membership; there was no possibility of REAs getting an alternate supply of energy, nor of providing service to customers on their territory other than farmers and they averaged only 100 members -- in short, no possibility of an autonomous existence.

Originally, the only aid offered to members of the REAs was a government guarantee of their borrowing, which averaged \$900 per farmer in the early 1950s. The result, however, was that only the wealthiest farming areas were able to electrify, generally those in the south of the province and the program proved so unpopular even Social Credit members of the legislature and convention delegates criticized it publicly. In 1952, in time for a provincial election, a revolving fund was established to lower the downpayment for REA members to an average of \$150 and lend the remainder at an interest rate of 3.5 per cent;

changes to the terms after Social Credit losses in the 1956 election reduced the capital costs to "\$100 down, \$5 a month, and 25 years to pay," included in a farmer's electric bill. The changes in form and indirect subsidies obscured the role of the cooperatives and thereby the government's rhetoric of a self-sufficient system in which the farmers electrified the rural areas themselves

The percentage of Alberta farms served by central electric stations had grown to 85.6 per cent by 1966, from 16 per cent in 1951, and a mere 1.6 per cent in 1946. But within a short time of reaching market saturation, the system of cooperatives used to achieve rural electrification began to show its weaknesses. As early as 1967, a leader of the Alberta Union of Rural Electrification Associations pointed out that the system would require rebuilding and suggested the financial reserves of all the REAs -- which were administered for them by the power companies -- be pooled in order for them to share the costs. In 1971, the Social Credit government of Harry Strom and promised legislation to create a central administration for the REAs, to pool their reserve funds, centralize their accounting and buy power in bulk; the Progressive Conservative opposition supported the measure and promised to ensure lower rates. However, after the Conservatives defeated the Strom government in the summer of 1971, they did nothing

Unfortunately, the Conservative government's inaction came at a time of record inflation, so that as the rural electric system disintegrated, the cost of rebuilding it increased exponentially. Many REAs reacted by selling their assets to the power companies, for a fraction of their value and a reimbursement of their reserve funds; though the result was higher electric bills, the capital for rebuilding the lines would then come from the company's reserves rather than a levy on the membership. The power companies were happy to buy the most lucrative rural electric systems, now that the farmers had established them at their own expense, but they were not interested in all of them. For the REAs the power companies refused to buy out, the government was forced to devise a series of ad hoc solutions, making loans and grants to make repairs and ensure continued electric service.

Finally, in 1980, a government-sponsored Rural Electric Council came up with a proposal for the power companies to buy out the remaining REAs and for the government to subsidize rural electric rates and provide loans for the construction of new infrastructure. Though the AUREA's Board of Directors endorsed the proposal, its annual convention rejected it and instead gave the Board a mandate to continue to press for a centralized administration while calling on the government to take over all privately-owned electric power generation and distribution. Since then, the government has helped to alter the terms of the contract between the REAs and the power companies somewhat, giving the REAs greater control over their finances, but it continues to ignore requests for both public ownership or a centralized administration.

Instead of the major reform in the rural electric system in the farmers' interests which the Conservatives had promised while in opposition, in power their only major proposal has been to hand the system over to the power companies. The fact that even that solution to the system's problems would have involved a major subsidy from the government, shows that the essence of the Conservative's approach has been to allow the system to develop to suit the power companies' interests, while providing enough additional funds to prevent discontent among their farm customers.

The two constants in the history of rural electrification in Alberta have been the farm movement's recurring demand for public ownership of the electric utilities and the government's refusal to take over the private power companies' assets and use the system's profits to ensure an essential but costly service to the farmers. Rural electrification will continue to be an issue in Alberta until the government is willing to break with the past and ignore the property rights of the private power monopolies, in favour of the interests of the farm population.

## APPENDIX I

## SUMMARY OF PLEBISCITE RESULTS

August 17, 1948

<u>Constituency</u>	Private ownership			Public ownership		
	<u>rank</u>	<u>vote</u>	<u>%</u>	<u>rank</u>	<u>vote</u>	<u>%</u>
Acadia-Coronation		1,578	38.8	(14)	2,487	61.2
Alexandra		1,350	37.0	(11)	2,298	63.0
Athabasca		1,262	29.1	(4)	3,077	70.9
Banff-Cochrane	(2)	2,624	64.3		1,456	35.7
Beaver-River	(1)	2,770	65.9		1,436	34.1
Bruce		1,423	38.0	(12)	2,320	62.0
Calgary	*	26,325	69.6	*	11,478	30.4
Camrose		2,164	42.8	(28)	2,893	57.2
Cardston		1,268	46.0	(27)	1,488	54.0
Clover Bar		1,722	38.3	(13)	2,788	61.7
Cypress		1,279	47.5	(31)	1,414	52.5
Didsbury	(4)	2,360	60.0		1,573	40.0
Drumheller		1,862	47.6	(32)	2,051	52.4
Edmonton	*	22,351	51.0		21,478	49.0
Edson		1,623	33.9	(8)	3,170	66.1
Gleichen	(6)	2,007	56.0		1,574	44.0
Grande Prairie		2,293	49.6	(34)	2,334	50.4
Grouard		1,673	32.2	(7)	3,520	67.8

<u>Constituency</u>	Private ownership			Public ownership		
	<u>rank</u>	<u>vote</u>	<u>%</u>	<u>rank</u>	<u>vote</u>	<u>%</u>
Hand Hills		1,759	44.9	(25)	2,154	55.0
Lacombe		1,994	43.3	(21)	2,608	56.7
Lac Ste Anne		1,242	28.9	( 3)	3,061	71.1
Leduc		1,899	44.0	(22)	2,414	56.0
Lethbridge	*	4,237	64.9		2,291	35.1
Little Bow	(10)	1,653	52.1		1,517	47.9
Macleod	( 8)	2,179	53.7		1,875	46.3
Medicine Hat	*	5,186	81.0		1,214	19.0
Okotoks- High River	( 3)	3,321	61.2		2,109	38.8
Olds	( 5)	2,398	58.6		1,694	41.4
Peace River		1,914	42.9	(19)	2,547	57.1
Pembina		1,710	34.3	( 9)	3,276	65.7
Pincher Creek- Crowsnest		1,838	44.6	(23)	2,284	55.4
Ponoka		1,622	41.7	(17)	2,268	58.3
Red Deer	( 9)	2,963	52.8		2,649	47.2
Redwater		804	22.7	( 1)	2,743	77.3
Rocky Mountain House		2,210	45.6	(26)	2,633	54.4
Sedgewick		1,962	48.2	(33)	2,111	51.8
Spirit River		1,147	31.9	( 5)	2,447	68.1
St Albert		1,897	44.8	(24)	2,333	55.2
St Paul		1,945	41.5	(16)	2,741	58.5
Stettler	( 7)	2,190	53.9		1,872	46.1



<u>Constituency</u>	Private ownership			Public ownership		
	<u>rank</u>	<u>vote</u>	<u>%</u>	<u>rank</u>	<u>vote</u>	<u>%</u>
Stony Plain		1,360	35.9	(10)	2,430	64.1
Taber		1,485	46.5	(29)	1,711	53.5
Vegreville		1,225	32.1	(6)	2,593	67.9
Vermillion		1,732	43.1	(20)	2,284	56.9
Wainwright		1,813	41.0	(15)	2,608	59.0
Warner	(11)	1,265	51.3		1,199	48.7
Wetaskiwin		2,301	46.2	(28)	2,676	53.8
<u>Willingdon</u>		<u>1,069</u>	<u>28.2</u>	<u>(2)</u>	<u>2,716</u>	<u>71.8</u>
TOTAL		139,991	50.03		139,840	49.97

\* Rankings are for rural ridings only, all four exclusively urban ridings (Calgary, Edmonton, Lethbridge, and Medicine Hat) voted for private ownership.

Source: Alberta, Chief Electoral Officer, A Report on Alberta Elections, 1905-1982, (Edmonton, 1983), p. 185

## APPENDIX II

FARMS SERVED BY CENTRAL ELECTRIC STATIONS  
 COMPARED TO TOTAL NUMBER OF FARMS.  
 ALBERTA, SASKATCHEWAN, AND MANITOBA, 1944 - 1971

<u>Year</u>	Alberta		Saskatchewan		Manitoba	
	<u>served</u>	<u>total</u> non-res operators*	<u>served</u>	<u>total</u> non-res operators*	<u>served</u>	<u>total</u> non-res operators*
1944	1,244		293		1,070	
1945	1,620		417		1,236	
1946	1,391	<u>84,350</u> 7,313	486	<u>125,612</u> 16,011	2,311	<u>54,448</u> 3,341
1947	2,275		739		3,496	
1948	3,393		1,227		5,694	
1949	5,017		2,299		11,155	
1950	11,032		4,057		16,964	
1951	13,479	<u>84,315</u> 8,311	5,594	<u>112,018</u> 18,162	23,777	<u>52,383</u> 4,511
1952	18,055		8,591		29,623	
1953	24,181		13,850		33,601	
1954	30,504		21,287		37,422	
1955	34,768		28,993		38,277	
1956	37,658	<u>79,424</u> 9,366	38,495	<u>103,391</u> 21,161	38,091	<u>49,201</u> 5,137
1957	41,130		44,955		38,120	
1958	45,848		50,813		38,700	
1959	46,258		55,424		39,027	

<u>Year</u>	Alberta		Saskatchewan		Manitoba	
	<u>served</u>	<u>total</u> non-res operators*	<u>served</u>	<u>total</u> non-res operators*	<u>served</u>	<u>total</u> non-res operators*
1960	49,757		59,384		39,162	
1961	52,316	<u>73,213</u> 7,396	62,260	<u>93,924</u> 18,006	39,326	<u>43,306</u> 3,957
1962	54,689		59,684		39,489	
1963	57,034		61,084		39,639	
1964	58,604		62,436		39,589	
1965	60,064		62,260		39,452	
1966	59,431	<u>69,411</u> 7,414	65,531	<u>85,686</u> 16,861	39,594	<u>39,747</u> 3,645
1967	60,863		67,147		39,579	
1968	61,030		67,874		39,359	
1969	63,483		65,991		39,288	
1970	64,249		66,319		38,951	
1971	64,768	<u>62,702</u> 7,617	66,426	<u>76,970</u> 18,539	38,736	<u>34,981</u> 4,532

\*The number of farms whose operators were non-resident is indicated parenthetically; the phenomenon is too complex to allow them to be simply subtracted from the total number, and it can be assumed that operators were resident on the majority of farms electrified

In 1961, the Census definition of a farm was changed to that of "a holding of one acre or more with the sales of agricultural products during the past twelve months valued at \$50 or more". As a result, the Alberta Power Commission concluded. "Both the total number of farms on which someone actually lives and the total of the farms electrified include many farms which qualify as such by the census definition but are, in truth, little more than rural residences", Alberta Power Commission, Annual Report, 1962, p. 46

Source: Alberta Power Commission, Annual Report, 1953, Table 6, p. 10, Ibid., 1963, Table 7, p. 8; Ibid., 1970, Table 8, p. 9; Canada, Statistics Canada, Electric Power Statistics, vol. 2, Annual Statistics, (Catalogue No. 57-202), 1970, Table 8; Canada, Census of the Prairie Provinces, 1946, vol. 4, Table 40; Canada, Census of Canada, 1971, vol. 4, Table 2.

## APPENDIX III

## "WHAT ELECTRICITY ON THE FARM MEANS TO OUR FAMILY'S WAY OF LIFE"

The prize-winning entry in an essay contest sponsored by Calgary Power, written by Mrs Harold Almberg of Czar, Alberta

Brightness is the theme of our life since our Sather R E.A. line came through last June connecting us to Calgary Power. Perhaps my husband and I appreciate it especially since we worked for a year in organizing our association, getting contracts signed and accomplishing the hardest part - the financing. We feel the power line is partly "our baby." The result of our effort is deeper appreciation.

When finally the power was turned on, we felt that we were truly emerging from the dark ages; from the dimness of oil lamps we entered a bright world where our dreams might become reality. We can inspect all the modern appliances and plan toward those we want most. Because the original cost of getting the power is a sizeable investment, we feel that only by using power in all possible ways will we realize the full value of our investment.

By having a competent job of wiring done, we are now free of many former fire hazards -- lamps, lanterns, tank heaters, etc. On these frosty mornings, my husband finds it pleasant to have his car or truck start instantly, warmed by block heaters. Two of our boys are members of the 4-H Beef Club, warmed water in the stock tank and electrical lights in the barn are helpful to them in successful care of their feeder calves. Baby pigs in mid-winter have a better chance of survival with a heat lamp keeping them cosy, instead of snuggling beside a sow which might smother them.

Electrical appliances in the home spell the difference between carefree housekeeping and drudgery. What a pleasure to be free of the noisy, balky engine on the washing machine! Our freezer in the basement is wonderful in keeping various fresh meats available. Vitamin-full fruits and vegetables frozen last summer are much finer flavored than

canned ones we had before. The vacuum cleaner is my special pet, used every day, it keeps our home cleaner than was ever possible before. It also does a fine job of spraying wax on the floors. My steam iron does that part of the laundry in half the former time.

A portable heater is a comfort whether used to heat the bathroom or dispel drafts while dressing the baby. Recently, I had a heavy chest cold that I feared might put me in hospital, but after a few hours on the heating-pad my chest was clear. Our neighbor borrowed it later and was also speedily cured.

There is a great deal of satisfaction in seeing electrical appliances do heavy manual labor easily and inexpensively. The time saved we spend in cultural pursuits, with the family or in social work, every community organization is crying for helpers.

This country was built on the dreams of our pioneer fathers, for the future, we have vivid dreams of the endless possibilities that rural electrification can bring us.

Source: Red Deer Advocate, 24 February 1954

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#### INTERVIEWS

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