NEO-CORPORATISM AND CANADIAN AGRICULTURAL INTEREST GROUPS

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Abstract

The organization of interest groups in the Canadian agricultural sector is highly differentiated on the basis of both territory and function. This finding has encouraged some scholars to describe and discuss the structure and operation of the system of interest groups in the Canadian agricultural sector within the framework of a neo-corporatist system of interest representation. They conclude that several elements found within Canadian agricultural sector are elements usually found within a neo-corporatist system of interest representation. They also state that the level of neo-corporatism within this sector was particularly high before the 1982-83 renegotiations of the grain freight rates commonly referred to as the "Crow rate debate".

This thesis questions the assertion that neo-corporatist elements exist within the Canadian agricultural sector. In order to do so, this thesis examines the system of interest representation in the Canadian agricultural community prior to 1982 against the background of several indicators of neo-corporatism which have been developed from Philippe Schmitter's definition of neo-corporatism.

This thesis argues that the system of interest groups in the Canadian agricultural sector is not neo-corporatist in nature. The thesis also argues that certain characteristics of the agricultural sector, and Canadian political culture in general, create a climate that is hostile to the development of a neo-corporatist system of interest representation.
Acknowledgements

I take this opportunity to express my thanks to Professors Duff Spafford, Jeffrey Steeves, and Alan Anderson for their thoughtful suggestions on my thesis. My greatest debt is to my thesis supervisor, Professor Hans J. Michelmann who provided constructive criticism and guidance to my work. I especially wish to thank Professor Michelmann for his considerable patience and understanding during a difficult time.

I am also indebted to Professor David E. Smith and Professor John C. Courtney for their encouragement during the writing of this thesis.

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Winston G. Shockey
Dedication

This thesis is dedicated to the memory of my father. Although he never quite understood the nature of my studies at university, he always encouraged me to take pride in my work and to do the best I possibly could at whatever I did.
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CHAPTER I: INTRODUCTION

One of the key assumptions of democracy is that the preferences of the governed are to be considered in the decisions made by those who govern. In the context of this assumption, the question of how the preferences of the governed are transmitted to the decision makers for consideration becomes significant. Indeed, the method by which these preferences are represented and expressed to decision makers is one of the most important aspects of the modern democratic political system. Traditionally, political parties have fulfilled the role of aggregating and articulating information, but the complexity and number of concerns in modern society have created major problems for this system of spatial representation.¹ It is simply not possible for one political party to respond adequately to the various issues raised in a complex society, especially those which require technical expertise.

¹ "Spatial" refers to representation based upon territorial considerations as opposed to representation by sector. As Paul Pross notes, "our legislatures are organized around the selection of representatives from geographically defined constituencies". A. Paul Pross, Group Politics and Public Policy (Toronto: Oxford University Press, 1986), p. 24.
An additional means of aggregating and articulating information to decision makers that need not suffer from the pitfalls of spatial representation is the interest group. In 1908, Arthur F. Bentley left his indelible mark on the social sciences when he wrote: "Society itself is nothing other than the complex of the groups that compose it" and "when the groups are adequately stated, everything is stated."\(^1\) For Bentley, understanding politics was a matter of understanding the interaction and relationship between various groups in society. Bentley's work was a benchmark in Western political science, and other scholars such as David Truman developed and refined Bentley's original propositions still further. The fundamental focus of the group theory of politics is, of course, the interest group. The increasing popularity of the theory of group politics in political science, coupled with the rise of interest groups, has meant an increase in the study of interest groups in politics and society.

From this study have emerged, among other things, two rather antithetical conceptualizations of interest representation. The first of these conceptualizations stems from the work of Bentley, and has been labeled "pluralism". Pluralism emphasizes the non-monopolistic, competitive, voluntary, and self-determinative nature of interest group activity. In the pluralist model, groups compete with each other to influence policy, and the resultant policy mirrors the "vector sum" of the relative strengths and positions of the groups involved.\(^2\) For pluralists, the policy-making system is a dynamic system, with all parts of the system in a constant state of flux.


\(^2\) David Truman writes that "The Total pattern of government over a period of time...represents a protean complex of crisscrossing relationships that change in strength and direction with alterations in the power and standing of interests..." David B. Truman, *The Governmental Process: Political Interests and*
But are interest groups truly operating with no government controls on their operation? This question has been raised by scholars who reject the pluralist approach as too simplistic, and generally unable to account for the "role of government in promoting and orchestrating group involvement in policy-making." Moreover, if groups do operate with no government controls on their operations, then how does that model account for the empirical research which has identified groups which are created by governments in order to "promote a demand for policies which particular departments are anxious to adopt". These criticisms of pluralism, among others, have prompted some scholars to develop an alternative model of interest representation.

This second model, generally referred to as "neo-corporatism", is a more structured system of interest representation. Philippe Schmitter has developed one of the most widely respected definitions of neo-corporatism. He defines neo-corporatism as:

...A system of interest representation in which the constituent units are organized into a limited number of single, compulsory, non-competitive hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and support.

Public Opinion (New York: Alfred A. Knopf), 1964. While Graham Wilson summarizes the pluralist approach when he states that in the pluralist model, "Power...[is]...widely dispersed amongst numerous interests and that every group enjoy[s] significant opportunities to influence policy," and "the power of groups could be assessed by a comparison of their resources, or by observing who won, and who lost, when interests collided in the political arena." Graham K. Wilson, Interest Groups in the United States (Oxford: Clarendon Press, 1981).


The essential differences from the pluralist model are obvious: in the neo-corporatist model, groups are non-competitive, hierarchically ordered, compulsory, and differentiated by function. Furthermore, in the pure neo-corporatist model, each functional sector contains a "peak organization" which may be defined as a "sector-wide organization...which embrace[s] a comprehensive array of constituent sector organizations," and is able to speak authoritatively for the sector which it represents. This peak organization is granted a representational monopoly in that sector, in exchange for accepting some state controls on its behaviour. Thus, in the neo-corporatist model, the causal arrow of demands from interest group to government operates in the reverse direction as well, with the government able to exert demands on the interest group in return for granting that group a voice in policy making.

Clearly, these two systems are quite different from each other, and at the theoretical level, they are mutually exclusive. But this dichotomy is an artificial one, and partially the result of corporatists and pluralists "having established their camps on separate theoretical peaks..." and, "...lobbing academic squibs at one another." In both cases, the views of fervent corporatists and pluralists represent "ideal-types" (in Weber's use of the term) and are impossible to find in their pure forms within any political system. Rather than conceive of these views as two separate and mutually exclusive systems of interest representation, it is perhaps more accurate to see them "...as the two poles of a continuum," where neo-cor-

2 Pross, Group Politics, p. 213.
poratism describes "...a form of state-group interaction in which groups are virtually joined to the state apparatus," while pluralism "...could be seen as describing a dynamic, self-regulating political system."¹

If one accepts this "continuum" approach, it becomes possible to speak of the "degree" of corporatism or pluralism within a society. Establishing the "degree" of a particular model of interest group activity within a society would, of course, entail developing indicators for that model, and then examining the actual interest group system in question within the context of those indicators. Fortunately, indicators for either neo-corporatism or pluralism could be readily developed from the definitions of those two systems given above.

The continuum approach is useful in that it enables one to account for the existence of neo-corporatist structures or processes within a pluralist framework of interest group activity, or vice-versa. Such an approach is also useful for comparative purposes and allows us to place various societies on the continuum in relation to one another based upon the degree of neo-corporatism or pluralism found within them. The following diagram helps illustrate this.

The continuum approach may also be used for at least one other purpose which is important for this thesis. Since a society is composed of various economic and political sectors, the degree of neo-corporatism or pluralism in that society is a reflection of the degree of neo-corporatism or pluralism found within the various economic and political sectors of that society. For this reason, it should be possible to modify the continuum approach and apply it at the sectoral level to account for the level of neo-corporatism or pluralism in a particular economic or political sector of society.

It is against this background that this thesis examines interest representation in the Canadian agricultural sector. The agricultural sector is the largest single sector in the Canadian economy. Of course, the agriculture sector consists of farmers, but it also includes the various industries that owe their existence indirectly to agriculture, such as
food production, processing and distribution. Indeed, as one author notes, agriculture provides the raw materials for the "largest single manufacturing sector in Quebec's economy and one of the largest in Ontario's."1 Other industries are also closely linked with agriculture. The agricultural sector provides inputs for food processors and accounts for 14% of the total freight hauled in the transportation industry.2 Agriculture also accounts for close to ten percent of all Canadian exports.3 Not surprisingly, then, Canadian society has been strongly affected by the agricultural sector.

Few scholars would quarrel with the proposition that interest group activity in Canada more closely approximates the pluralist paradigm than the neo-corporatist model. However, some scholars suggest that within this predominantly pluralist system, the Canadian agricultural sector is an anomaly. Their view is that the agricultural sector contained significant neo-corporatist elements, and that until the 1982-83 re-negotiations of the rates established by agreements between the railroads and the federal government for shipping grain from western producers to export ports, commonly referred to as the Crow rates, the degree of neo-corporatism in that sector was particularly high.4

This thesis is an attempt to test their hypothesis. In order to do so, this thesis examines the system of interest representation in the Canadian agricultural community prior to 1982

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3 Coleman, Business and Politics, p. 100.
4 Coleman discusses corporatism in the agricultural sector, in a chapter entitled "Corporatism and Agriculture", Ibid., passim.. Forbes also discusses agriculture and corporatism in J. D. Forbes, Institutions and Influence Groups in Canadian Farm and Food Policy (Toronto: Institute of Public Administration of Canada, 1985). However, neither author rigorously examines the degree to which neo-corporatism may or may not have existed in the agricultural sector.
against the background of several indicators of neo-corporatism which have been developed from Schmitter's definition of neo-corporatism quoted above. In order for a sector to qualify as neo-corporatist, that sector must contain a "system" of interest groups which is hierarchically organized, and non-competitive. Furthermore, membership within the system must be compulsory. That system must also contain a peak organization which must be able to speak authoritatively for its respective sector.

Chapter two provides an overview of the organization of agricultural interest groups in Canada prior to 1982. This overview will be conducted within the context of three of the indicators of neo-corporatism developed above. It shall be shown that while the system of agricultural interest groups in Canada was hierarchically organized, it did not possess a peak organization which was capable of speaking authoritatively for the entire sector. The chapter will also show that membership in that system was not compulsory. Some scholars have suggested that the Canadian Federation of Agriculture is a close approximation of a neo-corporatist peak organization. This chapter, in conjunction with Chapter III, illustrates that labeling the CFA as a peak organization is a misnomer.

As stated above, one indicator for the presence of neo-corporatism within a particular sector was a lack of competition among the groups in that sector. Chapter III of the thesis demonstrates that this neo-corporatist element was missing from the Canadian agricultural community. An analysis of the positions taken by the various agricultural interest groups during the 1982-84 renegotiation of the Crow rate illustrates that the associations within the sector were not non-competitive. Furthermore, the issue also provides further evidence for the assertion that the agricultural sector did not possess an organization which could speak authoritatively for the agricultural sector.
Once it has been established that elements of neo-corporatism did not exist within the Canadian agricultural community, Chapter IV of this thesis then attempts to explain why neo-corporatism could not develop within the agricultural sector. The chapter will examine those characteristics of agriculture which are not conducive to the development and operations of a peak association of the type defined by Schmitter. The chapter will also briefly touch upon those features of Canadian society in general which hinder the adoption of a neo-corporatist system of interest representation.

Chapter five will conclude the thesis, and reflect on some general principles regarding the functioning of neo-corporatist systems of interest representation within federal systems.

While this work would be interesting to those studying the organization of interests in the Canadian political system, those specifically concerned with the agricultural sector, and perhaps those employing a comparative approach to the study of neo-corporatism in general, identifying neo-corporatist elements in Canada's political system has an even greater significance.

Neo-corporatism directly challenges parliamentary and territorial modes of interest representation because of its emphasis on functional representation. As Paul Pross notes, in a democratic system,¹

"the legitimacy of the state rests on public understanding that the government of the day serves with the formal consent of the governed and is chosen through a process of election in which all citizens have an equal opportunity to select members of a house of representatives.

To this statement must be added the point that it is only because policy is made by these representatives that it is considered legitimate. Neo-corporatism jeopardizes this situation by allowing policy to be profoundly influenced, if not made directly, by actors which are not directly responsible to the public which is subject to this policy. Neo-corporatism also challenges notions of equality and individualism associated with democracy. As Cawson notes, in a neo-corporatist system it is the group which is enfranchised rather than the individual.¹ Moreover, in a neo-corporatist system of policy-making, all those involved in decision-making do not begin from positions of equality, as some organizations, (namely, the peak organizations) have an institutionalized advantage over others. In its ideal form, pluralism, with its stress on equality and participation is compatible with the democratic ideal. Corporatism, on the other hand, seems to subvert or by-pass parliament in the decision-making process. Thus, neo-corporatism poses a threat to democratic and parliamentary government. For these reasons, it is important to verify whether neo-corporatist elements exist or could exist in the Canadian agricultural sector.

As stated in the introduction of this thesis, Schmitter's definition of neo-corporatism contains several points which collectively define that concept. As the previous chapter has shown, these points may be used as indicators for the presence of neo-corporatism in a political-economic sector. It will be recalled that in order to qualify as "neo-corporatist", a system of interest groups in a particular sector must be hierarchically ordered. Further, membership in that system of interest groups must be compulsory. That sector must also possess a peak organization which is able to speak authoritatively for the groups from which it is constituted.

It is against this background that the following chapter presents an overview of the interest group structure in the agricultural sector of the Canadian political system as it existed prior to the Crow rate debates of 1982-83. The overview will show that the agricultural sector was differentiated on the basis of both territory and commodity, and reflected hierarchical principles of organization in its structure. The chapter will also show that Canadian agricultural interest groups were dominated at the general, or national level, by the Canadian Federation of Agriculture (CFA), and the National Farmers Union (NFU). Further, the chapter demonstrates that while both organizations claimed to represent agricultural producers in Canada, their organizational structure and their approaches to
influencing policy-making and policy-makers were significantly different. In the case of the Canadian Federation of Agriculture, it will become apparent that its formal organizational structure was not an accurate reflection of the de facto operation of that association.

The chapter is organized into three parts: Part I consists of a brief outline of the Canadian agricultural community as it was organized prior to 1982. This overview provides the necessary background for Part II of the chapter which examines the Canadian Federation of Agriculture against the contest of the indicators of neo-corporatism developed above. Part III of the chapter examines the structure and operation of the National Farmers Union. This discussion will follow much the same format as the discussion of the CFA in Part II. Part IV concludes the chapter and comments on the degree to which the agricultural sector illustrated neo-corporatist "tendencies" prior to the 1982-83 debate over proposed changes to the Crow rates.

PART I: The Agricultural Community

Before beginning an analysis of the two major national Canadian farm associations, the Canadian Federation of Agriculture and the National Farmers Union, it is useful to provide an overview of the organizational structure of the agricultural sector in general. In 1982, this sector was composed of "over 10,000 local, regional and national farm organizations and ... 449 national and regional farm industry associations."¹ For conceptual purposes, and in order to avoid confusion, it is useful to divide this large number of organizations

¹ Forbes, Institutions and Influence Groups, p. 47.
into three divisions identified by product: horticulture, grains, and livestock. Because the number of organizations in each of these divisions is large, mention will be made only of the major member organizations of each division.

In the horticultural division, the Canadian Horticultural Council (CHC) functioned in a role which was analogous to that of a "peak organization" but limited to the division that it "headed". Organizations which represented specific sectoral concerns also existed within the horticultural division. At the national level, commodity-specific organizations which represented mushrooms, honey, floriculture, and the nursery trades were present. At the provincial level, the horticultural division contained organizations such as the Nova Scotia Fruit Growers Association, the British Columbia Fruit Growers Association, and the Ontario Fruit and Vegetable Growers Association.\(^1\) The following diagram helps to illustrate the relationship between the groups in the horticultural division.

<table>
<thead>
<tr>
<th>Horticultural division</th>
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<tbody>
<tr>
<td><strong>Canadian Horticultural Council</strong></td>
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<tr>
<td><em>national level</em></td>
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<tr>
<td>mushrooms, honey, floriculture, nursery trades</td>
</tr>
<tr>
<td><em>provincial level</em></td>
</tr>
<tr>
<td>Nova Scotia Fruit Growers Association</td>
</tr>
<tr>
<td>British Columbia Fruit Growers Association</td>
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<tr>
<td>Ontario Fruit and Vegetable Growers Association</td>
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1 Coleman discusses these organizations in *Business and Politics*, p. 107.
The Canada Grains Council (CGC) functioned as the peak organization within the grains division. The CGC consisted of member organizations representing "not only producers of grain but also those involved in the handling, transportation, processing, and marketing of grain and grain products."¹ Within the grains division, the wheat sector was represented by the Western Canada Wheat Growers Association,² and the Ontario Wheat Producers' Marketing Board. Specialized associations existed for the other grains such as canola, flax, rapeseed, and barley as well. In most cases, these organizations had "territorial roots."³ The provincial pools of Alberta, Saskatchewan, and Manitoba were members of this division as well as the United Grain Growers organization, which claimed membership in Manitoba, Saskatchewan, and Alberta. Again a diagram is useful to summarize the relationship between the major groups in the grain division.

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¹ Ibid., p. 107.
² The Western Canada Wheat Growers Association was formerly known as the Palliser Wheat Growers Association.
³ Coleman, p. 107.
Grains Division

<table>
<thead>
<tr>
<th>CANADA GRAINS COUNCIL</th>
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<tbody>
<tr>
<td>Western Canada Wheat Growers Association</td>
</tr>
<tr>
<td>Ontario Wheat Producers' Marketing Board</td>
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<tr>
<td>Provincial Wheat Pools of Alberta, Saskatchewan, and Manitoba</td>
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<tr>
<td>United Grain Growers</td>
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<tr>
<td>specialized producer organizations for Canola, flax, rapeseed, and barley</td>
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There was no national association which represented the entire livestock division of the agricultural sector. Each livestock commodity group was represented by its own specific association. There were specific associations for dairy producers, and producers of pork, beef cattle, chickens, eggs, and turkeys. These organizations were, respectively, the Dairy Farmers of Canada, the Canadian Pork Council, the Canadian Cattlemen's Association, the Canadian Broilers Council, the Canadian Egg Producers Council, and the Canadian Turkey Federation. These organizations maintained a presence in most, but not all provinces. Again, a diagram helps portray the relationship between the various groups in the livestock division.
Each of the divisions in the agricultural community also reflected the federal nature of Canada's political system. For example, not only were horticulturists organized together as horticulturists, but those horticulturists in Alberta were further organized as horticulturists of Alberta, possessing an identity separate from the horticulturists of Saskatchewan, or Ontario. The same also held true for the groups within the other two major divisions of the agricultural sector. Moreover, agricultural groups in Western Canada also possessed a separate organization, the Western Agricultural Conference. The WAC was composed of 11,000 direct members in addition to the provincial federations of agriculture in Alberta, Saskatchewan, and Manitoba.
Part II: Structure and Operation of The CFA

i) Structure

Within this universe of agricultural organizations in Canada, the Canadian federation of Agriculture dominated. The CFA is a "peak association of associations" and is thus an umbrella organization for most other interest groups in the agricultural sector rather than a direct membership organization. Individual producers may not hold direct memberships in the CFA. In 1982 there were over two hundred organizations that came under the umbrella of the CFA, many of which were themselves composed of smaller groups. Nearly two thirds of Canada's 300,000 farmers belonged to the CFA in some manner. The associations under the CFA's umbrella may be grouped into two major categories; those

1 The CFA was originally named the Canadian Chamber of Agriculture, an organization which was formed in 1933. Eleven years later, the name of that organization was changed to the Canadian Federation of Agriculture. The name change in 1944 was initiated at the request of farmers who thought the word 'Chamber' "sounded too much like the Chamber of Commerce which, in the minds of some people, [was] a sanctuary for city villains".

2 Forbes, p. 51.

3 Of course, the high proportion must be considered in light of the fact that the CFA is itself a very broad based "association of association" and has no proviso for direct membership. Because the CFA is composed of many member organizations, its membership base is broader than would be the case if it had been a direct member organization. This is so because individuals who join the associations which in turn compose the CFA would not necessarily join their particular organization with the goal of also joining the CFA. If they did, the CFA could claim to represent those individuals who are members of its component groups. Nonetheless, the large size and inclusiveness of the CFA can not help but provide legitimacy the CFA's claim that it represents agricultural producers in Canada. However, as the following pages will show, the fact that several of the organizations who were not members of the CFA were themselves significant agricultural groups detracts from this claim.
defined on the basis of territorial considerations, and those defined according to commodity group. In addressing CFA commodity group representation, it is again useful to divide the agricultural sector into horticultural, grain, and livestock divisions.

The major "quasi-peak association" within the horticultural division, the Canadian Horticultural Council (CHC), was a member of the CFA. Thus, those national and regional organizations which were CHC members were represented within the CFA.

While the Canada Grains Council (CGC) functioned as the peak association within the grains division, it did not come under the umbrella of CFA representation. This is so because membership within the CFA is reserved for producer groups only, and, as will be recalled, the CGC represented those organizations which handled, transported, processed, and marketed grain and grain products, as well as producers of grain. Clearly, the exclusion of the CGC from the CFA seriously impeded the CFA's ability to speak with a "unified voice" for the agriculture sector. This was, and is, especially true in the prairie provinces where the grain economy plays such an important role. However, this organizational and political failing is mitigated by the fact that many members of the CGC were also members of the various provincial Federations of Agriculture discussed below. In this way, grain growers on the prairies were represented by their respective provincial federations of agriculture, and thus, also by the CFA. Furthermore, members of the CGC who were also members of the United Grain Growers Ltd. were represented in the CFA by virtue of the fact that the UGG was a CFA member. The various wheat pools were also represented within the CFA. Moreover, each provincial wheat pool was also a member of its respective provincial federation of agriculture.

As will be recalled, there was no national association which represented the entire livestock division of the agricultural sector. Each livestock commodity group was
represented by its own specific association. The Canadian Pork Council (CPC) and the Canadian Egg Producers Council (CEPC) were not official members of the CFA and their affiliation with the CFA was as commodity committees to "advise it on their respective sectors and arrange for the CFA to provide them with administrative services."\textsuperscript{1} The rationale for the CPC and the CEPC desiring status as "affiliated members" rather than as direct members within the CFA is difficult to ascertain. A partial explanation may lie in the fact that membership dues for affiliated members are less than those for direct member organizations. In any case, this researcher could find no indication that status as affiliated members had either a positive or a negative effect upon the influence of those organizations within the CFA.

Significantly, the Canadian Cattlemen's Association did not come under the umbrella of the CFA. Again, as was the case for the CFA's failure to include the Canada Grains Council (CGC) in its "umbrella", the fact that the CCA was not included within the CFA challenges the CFA's ability to represent the entire agricultural sector. Cattle and wheat are two of the most important divisions within the agricultural sector, and the fact that the CFA did not represent one at all, and the other only through indirect membership, must be viewed as a serious organizational failure of the CFA from the perspective of neocorporatism.

Those associations belonging to the CFA which are defined on the basis of territory reflected the federal organization of Canada, and consisted of a number of provincial Federations of Agriculture. Before 1982-83, each province had its own provincial organization with the exceptions of Newfoundland and Quebec. Newfoundland had no

\textsuperscript{1} Coleman, p. 108.
provincial affiliate to the CFA because that Province had no "farm organization which represent[ed] a sufficient proportion of its agricultural workers to become affiliated with the national body."¹ In the case of Quebec, there were two organizations at the provincial level which came under the CFA umbrella, the Union des Producteurs Agricoles, and the Coopérative Fédérée du Québec. The following list of the provincial members of the CFA illustrates the territorial divisions of the CFA as they were in 1980.

**Canadian Federation of Agriculture**

P.E.I Federation of Agriculture  
N.S. Federation of Agriculture  
N.B. Federation of Agriculture  
Coopérative Fédérée du Québec  
Union des Producteurs Agricoles  
Ontario Federation of Agriculture  
Manitoba Farm Bureau  
Saskatchewan Federation of Agriculture  
Unifarm (Alberta)  
B.C. Federation of Agriculture

To summarize, the CFA existed at the head of two separate "sub-sectors", the first of which was comprised of the functionally differentiated organizations, and the second of which included those associations established on the basis of territorial considerations. The following diagram helps illustrate this dual hierarchical structure.

Canadian Federation of Agriculture

P.E.I. Federation of Agriculture
N.S. Federation of Agriculture
N.B. Federation of Agriculture
Coopérative fédérée du Québec
Union des producteurs agricoles
Ontario Federation of Agriculture
Manitoba Farm Bureau
Uniform (Alberta)
B.C. Federation of Agriculture

Dairy Farmers of Canada
Canadian Horticultrual Council
Canadian Turkey Federation
Canadian Egg Producers Council*
Canadian Pork Council*
United Grain Growers

N.B.-The Canadian Cattleman's Association and the Canada Grains Council do not fall under the umbrella of the CFA but do represent cattle and grains within the agricultural sector in general.

* the Canadian Pork Council and the Canadian Egg Producers Council are not direct members of the CFA, but are instead "affiliated members". See text.

This table has been adapted from a similar table in Coleman, op cit., p.106.

As can be seen, the CFA was highly differentiated by function. Separate component organizations within the CFA umbrella existed for almost all commodities. At the same time, the diagram also indicates that several organizations were not included within the CFA umbrella. The fact that the CFA exhibited a bifurcated structure is, of course, an acknowledgement of the fact that Canada is a federal system of government which is
marked by the paramountcy of representation by territory. As chapter IV of this thesis will show, this fact has serious implications for neo-corporatism in Canada generally.

i) Operation

Internally the CFA was supervised by a board of directors who represented each province individually, except in the case of the three Maritime provinces, Nova Scotia, New Brunswick, and Prince Edward Island. In 1941, these provinces agreed to be represented by three directors who would collectively represent the Maritime as one unit. The board of directors also contains one member from each commodity group. The board of directors elects an executive, which consists of a president, two vice presidents, and a secretary.

The CFA followed a vertical approach to policy making. Resolutions from county, township, and commodity groups at the provincial level are forwarded to the Boards of Directors for the respective Provincial Federations of Agriculture. The Boards of Directors

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1 The relationship between government system type and the interest group structure is more complex than is perhaps suggested in this statement. Generally speaking, interest groups tend to adopt an organization structure that reflects government structure (i.e. federal system means a federated structure; unitary system means a unitary structure). However, the reasons they do so may be complex. See Hugh G. Thorburn, Interest Groups in the Canadian Federal System (Toronto: University of Toronto Press, 1985), and Richard Schultz, Federalism, Bureaucracy and Public Policy: The Politics of Highway Transport Regulation (Montreal: McGill-Queen's University Press, 1980).


3 Again, Helen Jones Dawson has documented the operation of the CFA in considerable detail, in Dawson, p. 139.
then pass on their instructions to the provincial delegates to the annual meetings of the national federation. Delegates from affiliated commodity groups also attend these meetings and provide input representing the position of that specific commodity group on particular policy matters.

The CFA claims to be politically neutral, for in its view it can represent farmers best by remaining apart from partisan political connections of any kind. The success of this approach may be measured, in part, by the fact that as Dawson documents, there was only one occasion where a "change in the status" of a provincial federation resulted after a provincial change in government. ¹ Moreover, she found no occasions where such a change in status occurred at the national level after a change in government at the national level. ² This politically partisan-neutral position also benefits the CFA in at least one other manner. Because the CFA possesses a great deal of knowledge in agricultural matters, and because it maintains a politically partisan-neutral stance, various political parties appeal to the CFA for information regarding agricultural matters. Indeed, Dawson documents one occasion where "members of all three parties in the House of Commons...[quoted]... statements and statistics from the Canadian Federation of Agriculture during the debate on the Agricultural Prices Stabilization Bill."³ The situation that this example illustrates must

¹ Unfortunately, Dawson does not explain exactly what a "change of status" is, nor does she present her indicators for establishing this "change of status". Considering the context of the rest of her paper, this author concludes that "change of status" refers to a change in the preferential treatment of that provincial organization which may have occurred after a change in government. The assumption here is, of course, that a newly elected provincial government would have dealt with the provincial federation of agriculture in a less preferential fashion if it felt it had been "co-opted" by the previous government.

² Ibid., p. 138.

³ Ibid., p. 138.
have been viewed by the CFA with satisfaction, as it almost guaranteed CFA influence in policy making.

The activities which the CFA engages in as a lobby group are more limited than those which the NFU is willing to employ. The CFA has established a close relationship with many permanent officials in the public service, and is "frequently called upon to recommend appointments to boards or agencies associated with the Department of Agriculture." The relationship between the CFA and the Department of Agriculture is built upon co-operation and consultation. As Dawson notes, "the federation has generally viewed overt publicity stunts like 'marches on Ottawa' as being inconsistent with its policy of negotiation and co-operation." Moreover, the CFA feels that even such "protest marches" by other farmer organizations may damage "the fabric of the close relationship" between CFA and government.

It appears that the approach of negotiation and co-operation taken by the CFA is effective in influencing policy makers. In a publication from Agriculture Canada entitled Orientation of Canadian Agriculture, the CFA was rated by civil servants working in the agricultural sector as the most effective of the farm groups in terms of relative influence in policy-making. This situation, as well as the previous statement concerning the role of the CFA as a supplier of information for all three major political parties, seem to lend support to the assertion of some that neo-corporatist elements existed within the Canadian agricultural sector. However, this conclusion must be modified by the fact that, as the

1 Ibid., p. 145.
2 Helen Jones Dawson, p. 144.
3 Ibid., p. 144.
following pages illustrate, the actual operation of the CFA is not suggestive of a neo-corporatist peak organization.

The fact that the CFA possessed a bifurcated structure (see above) had implications for the actual operation of the CFA. It also directly affected the CFA in its role as a peak organization. As Coleman and others have noted, there has been a trend towards the regional specialization of agriculture. In many commodity subsectors, the majority of production is accounted for by only two provinces. For example, Alberta and Saskatchewan produce approximately two-thirds of all beef cattle, Ontario and Quebec approximately four-fifths of all vegetables, and Ontario and British Columbia provide over two-thirds of all tree fruits. This has resulted in "certain regions...[becoming]...more and more identified with particular commodities." As will be recalled, the CFA is organized along territorial lines as well as commodity lines. Thus, in several instances, commodity based cleavages and territorial cleavages often overlap (for example, the grain division and Saskatchewan, or the livestock division and Ontario). From a neo-corporatist perspective, the fact that these overlapping cleavages existed within the agricultural sector detracted from the CFA's ability to speak authoritatively for its membership. In order to help illustrate how this occurred, it is useful to refer to an example where the effects of these overlapping cleavages became clear.

The production of feed grains was, and is, regionally specialized. For example, in the period between 1970 and 1974, 95 percent of the principal feed grain, barley, was produced on the prairies, and 45 percent produced by Alberta alone. Also in that time, approximately 57 percent of barley production was accounted for in domestic sales, with

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1 Coleman, p. 102.
2 Ibid., p. 102.
66 percent of those sales staying on the prairies and the remaining 33 percent sold to "deficit-feed-grains areas", such as Quebec and the Maritimes.\(^1\) The result of this regional specialization is an "inter-regional dependence between prairie feed-grain growers and Quebec dairy, hog, poultry, and cattle producers".\(^2\) Because of this, the relationship between Quebec livestock producers and prairie producers of barley was strained: livestock producers in Quebec desired a low domestic feed grain price in order to reduce their overhead costs in livestock production, while barley producers on the prairies, and primarily in Alberta, desired a high price for barley in order to increase their profits. For the CFA, this situation remained relatively stable until 1974, when the federal government proposed to remove the regulation of the domestic sale of feed grains from the jurisdiction of the Canadian Wheat Board and allow prices to be set by the open market.\(^3\) Since placing the domestic sale of barley on the open market suggested lower prices, this proposal was met with immediate support by livestock producers in general, who welcomed the prospect of lower barley prices, and opposed by barley producers who stood to lose from deflated barley prices.\(^4\)

The position of the commodity based agricultural groups on this issue was as would be expected, with each commodity group looking to its own vested interest. At the national level, the NFU was quick to issue a statement which confirmed their opposition to the proposal. The CFA's position was not so clear. In attempting to issue a public position on

\(^2\) Ibid., p. 17
\(^4\) From an interview with Stuart Thiessen, Secretary of the NFU, Saskatoon, Saskatchewan, June 14, 1990.
the matter, the CFA was hamstrung by two cleavages. The first of these cleavages was a commodity based cleavage between barley producers and livestock producers. The second cleavage was a territorially based cleavage resulting from the regional specialization of agriculture. Because the prairies dominated barley production, and because livestock producers in Quebec required that barley, a territorial cleavage developed within the CFA between the territorially based farm organization in the prairie provinces, and those territorially based farm organizations in Quebec. Reacting to pressure from livestock producers in their province, the Quebec organizations supported the withdrawal of the domestic sale of feed grains from the control of the CWB. Conversely, because of pressure from barley and other feed grain producers, the territorially based organizations in the prairie provinces opposed the withdrawal of the control of the domestic sale of feed grains from the CWB.

In the face of these Cleavages, the CFA did not issue a definitive position on the matter, and opted to "sidestep" the issue. At its annual meeting in 1974, the CFA stated that it recognized "the divisions within the CFA on this issue [feed grains]," and "declared its intention to consult with the federal government on the feed grains policy...and promised to

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1 In order to show their support for their membership, the Quebec delegates to the annual CFA conference in 1973 withdrew from the conference when the issue of whether the domestic sale of feed grains should or should not remain under the control of the CWB. "Feed grain debate lopped off agenda", Western Producer, Thursday, February 28, 1974.

2 From a telephone interview with Stuart Thiessen, Secretary of the NFU, Saskatoon, Saskatchewan, June 27, 1990. Also, "Urgent appeal made for feed grain policy", Western Producer, Thursday, March 14, 1974., p. 1.

3 "Feed grain debate lopped off agenda", Western Producer, Thursday, February 28, 1974, p. 2., "CFA sidesteps debate on feed grains", Western Producer, Thursday, March 7, 1974, p. 2., and an interview with Stuart Thiessen, Secretary of the NFU, Saskatoon, Saskatchewan, June 14, 1990.
offer constructive criticisms of whatever government program is advanced."¹ Moreover, the CFA also stated that "it would not be desirable to attempt to debate the domestic feed grains policy issue," and recognized that the "present positions of its member organizations...are not compatible with one another in important respects and it seems unlikely that these differences can be resolved."² As one scholar familiar with the operation of the CFA suggested, this action was in keeping with the CFA's tradition in which that organization has constantly recognized that "it is better to be partially effective than completely ineffective," and it is "sometimes better to quietly pass these [controversial] issues down to its members," rather than risk organizational collapse.³

It is clear that the regional specialization of agriculture in Canada made matters more difficult for the CFA. While the Canadian Federation of Agriculture was beset with internal dissension between commodity groups, the fact that agriculture is regionally specialized meant that the CFA was also faced with additional dissension among its territorially based organizations. From the perspective of neo-corporatism, the above example supports this thesis' claim that the CFA was not a peak organization. The fact that the CFA could not speak with a unified voice for its member organizations and issue a public statement regarding its position on the issue of removing the regulation of the domestic sale of feed grain from the CWB, suggests that organization did not function as a neo-corporatist peak organization. This conclusion is further supported by an intensive examination of the role

¹ "Feed grains debate lopped off agenda", Western Producer, Thursday, February 28, 1974, p. 2.
² "CFA sidesteps debate on feed grains", Western Producer, Thursday, March 7, 1974, p. 2.
³ From an interview with George E. Lee, University Coordinator of Agricultural Research, University of Saskatchewan, and former member of the Canadian Federation of Agriculture Task Force, 1984-85, Saskatoon, Saskatchewan, June 18, 1990.
of the CFA in the debate surrounding proposed revisions to the system of grain freight rates in 1982-83, in chapter III of this thesis.

In summary, the Canadian Federation of Agriculture was vertically structured and quite inclusive. However, as the example above has shown, the CFA was not able to speak authoritatively for its membership. Further, while the organization did represent a significant portion of agricultural producers, it did not directly represent the cattle division of the livestock sector, nor did it directly represent the major quasi-peak organization in the grains division. Thus, since the CFA was not inclusive and could not speak authoritatively for the agricultural sector, we may only conclude that it did not conform to Schmitter's definition of a neo-corporatist peak organization. This conclusion will be further supported and developed in the next chapter of this thesis.

PART I: STRUCTURE AND OPERATION OF THE NFU

i) NFU: Structure

The National Farmers Union is a national association which is organized on the basis of direct membership. Prior to 1969, the farmers union movement in Canada was organized along provincial lines and consisted of the Ontario Farmers Union, the Manitoba Farmers Union, the Farmers Union of Alberta, the Farmers Union of British Columbia, and the Saskatchewan Farmers Union. Each union was autonomous and directly represented its members at the provincial level. When dealing with the federal government, the provincial unions relied on the National Farmers Union Council, which was composed of the
executive of each provincial union, but depended on the provincial organizations for funding.

This changed in 1969 with the report of the federal Task Force on Agriculture. The recommendations of this task force included the suggestion that the federal government should increase its role in the agricultural sector vis-a-vis the provincial governments. The task force recommendations also signalled a new direction for agriculture which included a reduction in the reliance of agricultural producers on federal subsidies: the task force recommended that the agricultural sector should adopt a more market-oriented approach. Furthermore, the report also recommended that "the government take steps to reduce the number of farmers, by urging the younger non-viable farmers to leave farming." ¹ Concern over the future of agriculture in the light of the federal task force recommendations prompted the various separate provincial farmers unions to restructure themselves in order to deal more effectively with the federal government. This reorganization resulted in the merger of the separate provincial farmers unions and the subsequent creation of the National Farmers Union. Each provincial union was subsequently disbanded, and all assets were transferred to the NFU.²

The reorganization of the NFU was also in part a response to what NFU members saw as a lack of farmer representation in policy making which directly affected farmers. Even though the CFA did claim to represent the entire agricultural sector, the manner in which that organization attempted to influence policy was seen by some farmers as a "sell-out" of

² From a single-page monograph distributed by the National farmers Union entitled, "Historic Background to the National Farmers Union" (Saskatoon: NFU, N.D.)
farm interests to commercial organizations. A senior NFU official actively involved with the NFU during its reorganization suggested that the CFA could not take a "hard stand" on policy issues of a controversial nature because the organizational structure of the CFA itself made this impossible. In the view of this official, because the CFA is an association of associations it must adopt a position of compromise between the positions of its various member associations. Thus, the CFA can not take a "hard stand" on most policy issues because it must juggle the various wishes of its component organizations and reflect these in its final position. According to the official mentioned above, in an attempt to rectify this situation, the NFU was organized on the basis of direct membership and was therefore more able to accurately reflect the views of the agricultural producers themselves.1

The National Farmers Union is not an "association of associations". It is, instead, a direct member organization and individual agricultural producers can obtain direct memberships in the NFU. In general, the NFU is structured in a hierarchical fashion, at the local level, the district level, the regional level, and the national level. The organizational structure of the NFU reflects the territorial basis of organization inherent in federalism. The NFU is composed of constituent units, but their respective boundaries only approximate provincial boundaries rather than exactly duplicating them. These constituent units are the "regions" of the NFU.

There are eight regions of the NFU: Region 1 is composed of the Maritime provinces2; Region 3 consists primarily of that area within the Ontario provincial border; Region 5 is

1 From an interview with Stuart Thiessen, Secretary for the National Farmers Union, in Saskatoon, April 5, 1990.
2 According to one NFU official, the NFU is not organized in Newfoundland because there is not a large enough agricultural community on that Island to make it viable.
made up mainly of the Province of Manitoba; Region 6 consists of the Province of Saskatchewan and a small portion of the Province of Alberta near Lloydminster; Region 7 consists of the Province of Alberta excluding that portion of land near Lloydminster and excluding the Peace River area; and Region 8 is composed of the Province of British Columbia and the Peace River area of Alberta. Quebec does not have representation directly in the NFU, but Region 2 has been reserved for the future possibility of Quebec farmers becoming members of the NFU. Moreover, the NFU has reserved Region 4 for the possibility of dividing Region 3 (mainly Ontario) into two smaller Regions.

The National Farmers Union operates under a governing Board representative of the regions included in the NFU. The responsibilities and duties of the Board are stated in the Constitution of the NFU. Clause 104 states that "the Board of Directors shall be the policy-making body of the union between conventions", and furthermore, "(i)t shall be the duty of the Board of Directors to interpret into action decisions made by convention."

The Board also considers "general policies on such matters of finance, expenditure, organization, regional development, and such other policy matters as it may from time to time to

1 At first glance, it would appear that the NFU's failure to have direct representation in Quebec would seriously undermine the NFU's ability to speak for all Canadian agricultural producers. When questioned about this, one senior NFU official stated that the major Quebec farmers union, the Union des Producteurs agricoles (UPA) shared a philosophical outlook on major policy matters that was similar to that of the NFU (as opposed to the CFA). This official also stated that in order for the NFU to become organized in Quebec, it would have to conduct all its operations in the two official languages. In order to be economically feasible, this would require a large Quebec contingent in the NFU, because the NFU does not currently possess the economic resources to conduct its affairs in French and English. From an interview with Stuart Thiessen, Secretary of the NFU, Saskatoon, April 5, 1990.

2 From a document of the NFU entitled, "Historic Background to the National Farmers Union" (Saskatoon: NFU office, N.D.)

3 From the Constitution of the National Farmers Union, published by the National Farmers Union.
time determine."¹ Three members of the Board are elected by fellow Board members to serve on the Executive Committee of the NFU which also includes the offices of President, Vice President, Junior President, and Women's President. Together this Executive Committee oversees the "management of the business and property of the Union and of its affairs...subject to the rules, policy decisions, and regulations of the Union in Convention assembled, and of the Board".² According to the Constitution of the NFU, administrative authority is delegated to the Executive Committee, but the ultimate responsibility for NFU actions rests with the National Board.

The President of the NFU is the chief executive officer of the Executive Committee. His/her duties include ensuring that regional activities are consistent with overall national policy, and authorizing NFU expenditures at the national level. Both the president and vice president are elected at NFU national conventions. Again, the individuals in these offices are subject to the authority of the National Board mentioned above, which itself consists of fourteen members from the regions. One Board member is appointed to each region to act as the regional co-ordinator. The regional co-ordinator acts as the liaison between each region and the national and district level officials, and represents the National Farmers Union on regional issues. Each region is itself further subdivided into districts, the boundaries of which are adjusted from time to time by the Board members. In total, the six regions of the NFU are subdivided into 34 districts. Each district is organized along lines similar to the regional organization of the NFU and is governed by its own district Board. Each district elects its own district director who reports to the district Board.

¹ Extracted from Clause 109 of the Constitution of the National Farmers Union.
² Abstracted from Clause 113 of the Constitution of the National Farmers Union.
The various districts are themselves broken down into a number of locals. The constitution does not stipulate a specific number of locals for each district, but instead states that in order for a local to be so organized, it must achieve 50 "membership units". This clause may be circumvented at the discretion of the National Executive. Each local must hold an annual meeting and it is at such meetings that the membership has an opportunity to question the leadership on decisions made by them during their tenure. Leadership election also takes place at these conventions. Local leadership consists of a President, Vice President, and not less than three but not more than five Directors. These positions together constitute the local executive who in turn appoints a secretary treasurer and establishes various committees to "properly fulfil the functions of the local."¹

The locals are engaged in the "grass roots" operations of the NFU. They act in various capacities at this level but according to NFU literature, they are most active in eight areas: member education; member recruiting; member orientation; member involvement; social function; non-partisan political activity; public relations; and the organizational maintenance of the National Farmers Union. It is at this local level that the NFU actively involves its membership.

The discussion above paints a picture of an organization that is hierarchically ordered. The national office sits at the peak of a pyramid which begins with local associations at its base, followed by districts, and then regions. This hierarchy may be summarized with the aid of the following diagram.

¹ From the "National Farmers Union Member Retention Program", p. BII (iii) 33.
Organizational Structure of the National Farmers Union

National Office
- Saskatoon, Saskatchewan
- 14 member National Board
- executive committee of
  Pres., Vice Pres., Junior Pres.,
  Womens Pres., and 3 Board
  Members

Region level
- 6 in number*
- 1 National Board member in each region
  acts as Regional Co-ordinator

District level
- 34 in number
- District Board
- District Director

Local level
- number of locals unlimited but require at least 50
  membership units
- President, Vice President, 3 to 5 Directors (appoint
  Sec/Treasurer)

* Region 2 reserved for Quebec, Region 4 reserved for Ontario- see text.
In 1955, Helen Jones Dawson estimated the membership of the NFU at approximately 35,000 family farm units, but a 1990 interview with senior NFU officials suggests that the present membership is much smaller, and somewhere between 7,000 and 7,500 family farm units. The fact that the NFU refers to its membership in terms of "family farm units" makes it difficult to establish the actual number of individual voting members of that organization. This is because a family farming unit can include the farmer and spouse as well as other family members between 14 and 21 years of age. Each of these individuals is considered eligible to vote at NFU conventions.

The drastic decline in NFU membership between 1955 and 1990 has been partially explained by Grace Skogstad who has documented a correlation between agricultural crises and sudden increases in the membership of the NFU.¹ The explanation offered by NFU officials for the decline in Union membership is multi-faceted.² First, they claim, many of the original members of the organization have died and the rate of new members joining the NFU has not kept pace with this decline; second, membership fees for the NFU have been increased several times, and each time the membership has dropped. The NFU feels this increase in membership fees has kept many poorer farm families from either continuing membership in the NFU, or joining the organization for the first time. Empirical evidence seems to support this claim as NFU membership declined approximately 50 percent in the year following 1974 when membership fees were increased from from $25 to $100 per

² From interviews with Stuart Thiessen, Secretary of the NFU, in Saskatoon, April 5, 1990, and Nettie Wiebe, Women's President of the NFU, Saskatoon, April 12, 1990.
year per family.¹ Third, a senior NFU official stated that many other agricultural producers would undoubtedly become NFU members if simply asked to join. The NFU relies on volunteers at the local level to carry on NFU activities, and according to this official there are simply not enough volunteers to ask other agricultural producers to join. This explanation is, of course, difficult to verify.

The membership of the NFU is disproportionately representative of the prairie provinces, and Saskatchewan in particular. Approximately 60 percent of NFU members come from Saskatchewan, while Alberta provides 10 percent. British Columbia and Manitoba share the remaining 10 percent equally. Ontario and the Maritime provinces each contain 10 percent of total NFU membership. Of this membership, fully 95 percent are mixed farmers.² Considering that the specialization of agriculture has meant a decrease in the number of mixed farms and a corresponding increase in the single commodity producer, this last fact suggests that NFU membership does not represent a cross section of Canadian agricultural producers. This becomes important when assessing whether the NFU may appropriately be referred to as a peak association and will be touched on again later in this chapter.

¹ Membership fees were again raised to $125 per family in 1981 and then again to $130 in 1982. The membership dropped from 12,500 to 7,500 during this time. From an interview with Stuart Thiessen, Secretary of the NFU, Saskatoon, June 11, 1990.
² From an interview with Stuart Thiessen, Secretary of the NFU, Saskatoon, June 14, 1990.
ii) NFU: Operation

While it is recognized that the actual operation of an organization may, in fact, bear little resemblance to how its formal organizational structure suggests it would operate, it appears that such is not the case with the NFU. The previous pages of this chapter have demonstrated that the NFU is an organization which allows for leadership to be held accountable for its actions by the membership of the NFU. Because agriculture in Canada is specialized according to region, and because the NFU is a national organization which bridges these various regions, one would not be surprised to find the various locals and districts disagreeing with official NFU position on matters which directly affect that particular local(s) or district(s). This researcher could find no evidence to suggest that this has occurred. Furthermore, when questioned about this matter, all NFU officials interviewed for this thesis stated that any dissension over policy matters between the locals or districts or regions is effectively resolved during the national conferences. We may only conclude that the NFU does indeed operate in a manner which is consistent with its formal organizational structure. This conclusion is further supported in Chapter three.

The manner in which the NFU operates as a lobby group varies considerably from the approach taken by the CFA. Like the CFA, the NFU regularly engages in negotiations and meetings with policy makers, as well as submitting briefs and policy position papers. But unlike the CFA, the NFU has no compulsion against employing confrontational tactics if it feels these tactics will be more successful than back-room negotiations. The lobbying history of the NFU is replete with examples of this type of confrontational activity such as, tractor parades, boycotts, and strikes. Senior NFU officials stated that confrontational
tactics are usually the tactics of last resort and utilized only if negotiation and compromise fail to achieve results desirable to the NFU.

Like the CFA, the NFU also claims to be politically partisan-neutral. While this may be true, it is possible to point to similarities in the philosophical position of the NFU and that of the New Democrats in Canada regarding the role of the government in society. For example, both tend to support a more extensive government presence in the functioning of society and especially in the agricultural sector. But it would be incorrect to link the NFU directly with one specific party. In the view of the NFU, agricultural concerns transcend party politics, and linking the NFU directly with one or more parties and thus tying that organization to the political fortunes of those parties would be detrimental to its aim of representing the interests of agricultural producers. Furthermore, one NFU official stated that the NFU had been no better treated by the NDP than by either of the other two mainstream political parties at either the provincial or federal levels, and the agricultural policy put forward by the NDP was no more acceptable to that organization than that of the other parties.¹

NFU officials summarize the NFU's general philosophical position on agricultural issues as "180 degrees"² from the position held by government. Since particular policy positions reflect this more general philosophical position, the NFU often finds itself diametrically opposed to government agricultural policy initiatives. In fact, NFU history is replete with examples of such "disagreement" between the NFU and government. Significant examples include NFU opposition to the removal of domestic feed grain pricing

¹ From an interview with Stuart Thiessen, Secretary of the NFU, Saskatoon, June 11, 1990.
² From an interview with Stuart Thiessen, Secretary of the NFU, Saskatoon, June 14, 1990.
from Canadian Wheat Board regulation in 1973 and 1974, and opposition to Operation LIFT (Lower Inventories For Tomorrow) in which the federal government desired to take land out of production in order to reduce the surplus of grain in Canada.\textsuperscript{1} The NFU also opposed revising the system of freight rates for shipping grain from western producer to export ports in 1982 and 1983. This latter issue will be explored in depth in Chapter III of this thesis.

NFU officials claim that the NFU and those government officials responsible for making agricultural policy have "agreed to disagree\textsuperscript{2}" on most agricultural issues. One cannot help but to conclude that such a relationship between the NFU and policy makers is not suggestive of a neo-corporatist arrangement.

In summary then, is the NFU an example of a neo-corporatist peak organization? It would be incorrect to conclude that since the NFU was a direct membership organization rather than an association of associations, it could not fulfil the requirements of a neo-corporatist peak association. Clearly, the NFU is a national organization which was, and is, organized on a hierarchical basis. On the other hand, NFU membership composed a very small percentage of the total number of agricultural producers in Canada. Hence the organization does not demonstrate the inclusiveness stipulated in Schmitter's definition. Furthermore, the fact that NFU membership does not represent a cross-section of Canadian agricultural producers further takes away from the claim that the NFU is a peak association. Finally, and perhaps most importantly, NFU officials themselves state that the NFU is not granted preferential status in policy making, and, in fact, claim that the philosophical

\textsuperscript{1} Ibid.
\textsuperscript{2} Thiessen, interview, Saskatoon, June 14.
position of the NFU is "180 degrees" from that of government.¹ This philosophical difference most often results in radically different positions between the NFU and the government on policy matters. Several examples referred to earlier in this chapter substantiate this claim. Based on this evidence, we must conclude that the NFU was not and is not a neo-corporatist peak organization.

CONCLUSION

At the beginning of this chapter it was suggested that in order to conclude whether the Canadian agricultural sector contained neo-corporatist elements, one must first establish indicators for the presence of that system of interest representation. These indicators were then developed from Schmitter's definition of neo-corporatism. At this point it is useful to recall these indicators. It will be recalled that in order to qualify as "neo-corporatist", a system of interest groups in a particular sector must be hierarchically ordered and possess a peak organization which is able to speak authoritatively for the sector of which it is a part. Moreover, membership within that system of interest groups must be compulsory. Is the assertion that the agricultural sector in Canada prior to 1982 exhibited substantial neo-corporatist tendencies then correct?

An analysis of the agricultural sector presents mixed findings. The descriptions of agricultural sector in this chapter present a picture of a very hierarchically ordered and functionally differentiated system of interest groups. The term hierarchical usually implies

¹ Ibid.
a "top down" system of ordering items. In the case of the Canadian agricultural sector, there was no clearly defined "peak". The NFU and the CFA were national organizations claiming to represent agriculture, but for various reasons, neither organization was a peak organization of the type defined by Schmitter. The NFU was not a neo-corporatist peak association because of the fact that it was not particularly representative of Canadian agricultural producers, nor was it comprehensive enough to claim to speak for all producers. Thus, the NFU definitely is not "inclusive" in any sense of the term. Moreover, the NFU was not granted preferential status *vis-a-vis* other agricultural organizations in policy making.

Neither could the CFA claim to be a peak association, as it too suffered from a lack of inclusiveness. While the CFA was significantly more inclusive than the NFU, it did not directly represent the grains division, and did not represent cattle producers within the livestock division at all. In fact, several major organizations such as the Canada Grains Council and the Canadian Cattlemen's Association were not members of the CFA. Moreover, within the CFA, the grain and horticulture divisions had their own "quasi-peak organization" which represented those sectors. In a neo-corporatist system one would expect the CFA to represent all the organizations falling under its umbrella, but as the next chapter will demonstrate, the CFA could not do this.

Any national organization differentiated by both function and territory which is faced with representing the Canadian agricultural sector with its regional specialization of agriculture, must be mindful of the overlapping cleavages presented by that situation. One of the assumptions of corporatism is that the peak organization can exert a certain degree of control over its member units. As the previous example has shown, the CFA was unable to do this.
Compulsory membership was not a feature of the system of interest groups within the agricultural sector. There was no compulsory membership requirement for either of the two national agricultural organizations.¹ As will be recalled, membership within the NFU is voluntary. The CFA had no proviso for direct membership, and the fact that several organizations did not fall under the CFA umbrella illustrates that there is no compulsory membership requirement for that association either. In fact, one member of the 1984 CFA Task Force stated that "most agricultural producers...have probably never heard of it [the CFA]."² Thus, at the national level, the neo-corporatist indicator of compulsory membership was not present within the system of agricultural organizations in Canada.

Clearly, these facts undermine the suggestion that neo-corporatism existed within the agricultural sector. In summary, it is not possible to conclude that the system of interest representation in the Canadian agricultural sector was neo-corporatist. This conclusion is supported by the next chapter of this thesis which examines the various position and actions taken by agricultural groups during the debate concerning proposed revisions to the Crow rate.

¹ In Quebec, there is a legislated requirement that farmers with sales above a specified amount must pay dues to the Union des Producteur Agricoles. However, this requirement exists only in Quebec and is a distinctive product of Quebec political culture which draws mainly from French rather than English tradition. The fact that this neo-corporatist indicator exists only in Quebec, coupled with the fact that Quebec political culture is decidedly different than that of the rest of Canada, adds support to the views concerning the relationship between neo-corporatism and political culture put forth in Chapter IV of this thesis.
² From an interview with George E. Lee, University Coordinator of Agricultural Research, University of Saskatchewan, and former member of the Canadian Federation of Agriculture Task Force, 1984-85, Saskatoon, Saskatchewan, June 18, 1990.
CHAPTER III

Chapter II of this thesis concluded that neither the NFU nor the CFA met several of the requirements of a peak association as defined by Schmitter. Even so, as some scholars have pointed out, the CFA did more closely approximate the ideal than did any other association. The following chapter builds upon the conclusions of Chapter II, and demonstrates the inability of the CFA to speak authoritatively for the agricultural sector when an issue arose upon which the various agricultural groups were divided. This issue was the debate surrounding the revision of the rates established by agreements between the railroads and the federal government for shipping grain from western producers to export ports commonly referred to as the Crow rates. The debate was of critical importance for Canadian agricultural producers as it entailed important implications for western grain producers who produce the majority of wheat in Canada. Moreover, as the following chapter will show, revisions in the Crow rates also affected livestock producers. The nature of the debate ensured that mutually exclusive positions would be taken by several of
the member associations of the CFA. This difference of views could not be contained within the organizational structure of the CFA, and, "like a house of cards, the system came crashing to the ground."1

The following chapter of this thesis examines the issues which arose as a result of the debate surrounding the revision of the Crow rates in 1982-83. The chapter consists of a brief historical sketch of the Crow rates and an analysis of the debate resulting from the different views put forward by the Hall commission and the Snavely Report. It also contains an examination of the Gilson Report and the proposed revisions of the Crow rates contained within it. This chronicle of events serves as the background for an examination of the differing positions held on the issue by the various commodity and regional associations. By exposing the different positions taken by the various groups within the agricultural sector, this thesis emphasizes the fact that the CFA was not a peak organization in the neo-corporatist sense because it could not speak authoritatively for the groups which fell within its umbrella.2 The chapter concludes by illustrating how the divisive nature of the debate contributed to the organizational collapse of the CFA.

The Crow rates as they stood in 1982 were a modification of those set by the original Crow's Nest Pass Agreement of September 6, 1897 between the Dominion government and the Canadian Pacific Railroad. The CPR desired to build a railway line into south-east British Columbia where significant mineral resources were located. In exchange for receiving a subsidy from the Dominion government to build this rail line, the CPR was

1 Coleman, p. 101.
required to establish a fixed rate for the transportation of grain from the prairie delivery points to the various export ports. In 1925, the Agreement was "cancelled" and replaced by a law which differed slightly from the original Agreement. First, the original provisions calling for reduced rates on "settlers' effects" were dropped. Second, the new statute of 1925 also incorporated the Canadian National Railway (CNR) in its provisions, and was expanded to cover "a broader range of raw and processed grain and grain products for fixed freight rates to export ports (the Lakehead, Churchill, Manitoba and West coast ports)."1 Third, the rates for the transportation of grain and flour "moving from all points on all lines west of Thunder Bay to the Lakehead or to Westport and Armstrong were set at the September, 1899 level."2

It was not long before the cost of moving grain from delivery point to export port bore no relation to the original rates set out in the 1925 agreement. As Kenneth Norrie states, the MacPherson Royal Commission of 1959-61 noted that "the rates allowed failed to cover even variable costs, much less make any contribution to railway overhead."3 By 1974, the revenue provided under the statutory grain rates contributed only 38 percent of the variable costs. Moreover, one analyst concluded that this percentage would fall to 18 percent by 1987. As the difference between the actual cost of transport and those statutory rates increased, railway losses mounted. Because of this, railways "stopped making grain-related investment," and "would buy no more rail cars for grain nor would they contribute to improved grain-handling facilities."4 As the demand for grain increased, these cost-

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3 Ibid, p. 345.
4 Forbes, pp. 94-95.
cutting efforts on behalf of the railways would mean that the demands of the export markets could not be met.

Since 1935, the Canadian Wheat Board (CWB) has been responsible for overseeing the "export marketing of prairie grown wheat". This responsibility was extended to include oats and barley in 1949. As Skogstad notes, the "speed and efficiency" with which the CWB can manage the transportation of grain from producer to export market is directly related to the ability and capacity of the railways to move the grain from producer to export port. Therefore, as the transporting of grain became an increasingly narrow "bottleneck" within the production-export system, and as the demand for exported grain increased, the problems became acute. At the same time, because of a rising rate of inflation, railway losses continued to mount.

Clearly, some changes in the Crow were needed to deal with these problems. Unfortunately, there was very little agreement on what these changes should be. The railways wanted to cut costs by abandoning several thousand miles of branch lines. This position met with opposition by provincial governments, who feared the increased costs of road maintenance associated with more grain being transported by truck, and also by farmers who would be required to purchase trucks "capable of hauling grain several more miles than they were accustomed to." In 1975, Justice Emmet Hall was commissioned by the federal government to decide what was to be done with these branch lines.

After two years of study which included eleven regional hearings, seventy-seven local hearings, and three additional hearings in Saskatoon, Edmonton, and Vancouver, Justice

2 Ibid., p.122.
3 Ibid., p. 126.
Hall submitted his report. In essence, the report stated that approximately one-third of 6,300 miles of branch lines which the railways wanted to abandon could be abandoned, an additional one-third should be kept operational until the year 2000, and the fate of the final one-third would be decided by a new institution to be called the "Prairie Rail Authority."\(^1\) The report also suggested that the federal government should pay compensatory payments directly to the railways to make up for any shortfall between the cost of transportation of grain and the revenues generated by producer payments. The report was praised by almost all parties involved, including the CFA, and the NFU.\(^2\)

But the idea of abandoning several thousand miles of branch lines was deemed to be only a temporary reprieve for the railways. Costs were continuing to escalate, while bumper crops in 1976, 1977, and 1978 demonstrated the inadequacy of the current grain transportation system to deliver large quantities of grain to the ports. Against this background, the Minister of Transport, Otto Lang, requested American economist Carl Snavely, "to inquire into the cost of moving grain under the Crow's Nest Pass Agreement and to consider the effects of an altered grain-handling system on the costs of moving grain."\(^3\) Snavely's conclusions differed significantly from those of the Hall Commission. Most importantly, he concluded that the Crow rates impeded the "expansion of the grain economy" by encouraging the CPR to let its branch lines deteriorate in order to "bargain for

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\(^2\) As Skogstad notes, The Manitoba government was not pleased with the recommendations because they meant that one-half of branch lines in that province would be abandoned. The Palliser Wheat Growers Association was also upset with the report because it felt the report would be "detrimental to the Western Canadian livestock industry. *Ibid.*, p. 127.

\(^3\) *Ibid.*, 128-129.
an upward revision of grain freight rates."\textsuperscript{1} If the publication of the Hall Commission had been met with praise by most agricultural groups, the release of the Snavely Report led the various parties with interests at stake in the issue of Crow rates revision to become involved in a heated debate.

As Skogstad notes, there emerged three central positions in this debate pertaining to "whether Crow rates should be revised upward and, if so, who should bear the cost of higher rates."\textsuperscript{2} One approach would require farmers to "pay a statutory compensatory rate to the railways."\textsuperscript{3} This was later referred to as the "Crow benefit" position. Farmers would then be reimbursed by the federal government based "on their seeded acreage to make up the difference between the higher transport rate and the Crow."\textsuperscript{4} Significantly, while the payments would make up the difference between actual costs and the Crow rates at the time of implementation, any future increase in costs would be borne solely by farmers. The second position simply called for the retention of the Crow rates as they were. The third position suggested that a direct compensatory payment covering the difference between the actual cost of transporting the grain and the Crow rates should be paid to the railways, and this payment should provide the railways with a small profit. Under this proposal, farmers would still continue to pay the Crow rates, but any future increases in the differential between actual transport cost and Crow rates would be negotiated between producers, government, and the railways.

\textsuperscript{1} The recommendations contained within the Snavely Report are detailed in length in \textit{Ibid.}, pp. 129-131.
\textsuperscript{2} \textit{Ibid.}, p. 130.
\textsuperscript{3} \textit{Ibid.}, p. 130.
\textsuperscript{4} \textit{Ibid.}, p. 130.
These three positions became the points around which the various agricultural groups and provincial governments rallied. The first position, that of the "Crow benefit" proposal, was supported by the Western Canada Wheat Growers, the Flax Growers, the Barley Growers, the Saskatchewan Stock Growers, and the Canadian Cattlemen's Association. These organizations collectively allied themselves in the "Prairie Farm Commodity Coalition". As Coleman notes, none of these associations fell within the organizational umbrella of the CFA.\(^1\) The "Crow benefit" proposal was also supported by the railways and the provincial governments of British Columbia, Alberta, and Manitoba.

The reasons these groups supported the "Crow benefit" proposal were several. Livestock producers supported producer payments because they felt this would ultimately result in a higher profit margin for them. They deduced that lower feed grain prices would result from direct producer payments and these lower feed grain prices would mean lower-cost feed for their livestock and that meant their profits would increase. Furthermore, livestock producers also clung to the belief that the diversification and expansion of the prairie economy was impeded by the present system of freight rates which discouraged railway expansion. Growers of barley and flax also supported the "Crow benefit" for reasons of "efficiency" and desired to "rid their industry of the government and statutory controls that have long ago outlived their usefulness and now prevent the industry from expanding to meet the vast markets that are forecast for it in the next twenty years."\(^2\)

The provincial government of Alberta also supported the "Crow benefit" scheme for several reasons. In Alberta, at least half of the total cash receipts from agriculture "came

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\(^1\) Coleman, p. 111.
\(^2\) Maclean's, 9, March 8, 1982, pp. 8-9.
from the sale of livestock and livestock products".\(^1\) Clearly, it would be politically unwise for the Alberta government to anger that segment of the farming population which provided such a large segment of the total cash receipts from agriculture. For the Alberta provincial government then, supporting the "Crow benefit" position would accomplish two tasks: first it would undoubtedly increase its popularity with those producers which accounted for more than half of the total cash receipts from agriculture; and second, increased profits in this division would undoubtedly positively influence the Alberta economy. Moreover, abolishing the Crow rates was in keeping with the Alberta governments ideological position which was similar to that of the barley and flax growers cited above.\(^2\)

The railroads also supported direct producer payments because such a system would guarantee their costs in transporting grain and provide them with a profit. This would enable the railroads to further develop and expand. British Columbia served to gain from such expansion as it would enable the coal mining industry in that province to ship more of its product to export ports.

The proposal to retain the existing agreement in the manner in which it was already structured was supported by the National Farmers Union and the Saskatchewan provincial government alone.\(^3\) The NFU felt that "better service" from the railways did not necessarily follow if the federal government provided direct payments to the railways, even if the payments were large enough to ensure a profit for the railways. The Saskatchewan government was concerned that there was no guarantee that "compensatory federal payments to farmers" would not be "phased out sometime in the future,"\(^4\) leaving

\(^2\) Ibid., p. 132.
\(^3\) Ibid., p. 131.
\(^4\) Ibid., p. 131.
Saskatchewan farmers with the entire burden of freight charges. The Saskatchewan government also advocated retention of the Crow rates because of the importance of the grain economy for Saskatchewan\(^1\) and the fact that Saskatchewan farmers ship 50 percent more grain than do the farmers of Alberta or Manitoba. For them, if the Crow rates were removed, the cost of transporting grain to export ports would increase by "300 to 500 percent."\(^2\) Thus, the removal of the Crow rates structure was not a palatable alternative for Saskatchewan farmers nor for the government of that province.

The third position was endorsed by an association of CFA affiliates known as the Western Agricultural Conference (WAC). The members of the WAC included such organizations as the wheat pools of Manitoba, Saskatchewan, and Alberta, the United Grain Growers, and the prairie producer co-operatives. This position was also supported by the Saskatchewan Federation of Agriculture, and the analogous organizations of Saskatchewan's two neighbouring provinces--Unifarm in Alberta, and the Manitoba Farm Bureau in Manitoba. Coleman notes that the CFA also "unofficially" supported this position.\(^3\)

The support from Unifarm, however, was less than total. Unifarm represented both livestock and grain producers in Alberta, and the cleavage between grain and livestock producers over who should receive subsidy payments was mirrored within that organization. Livestock producers in Unifarm were represented by the Alberta Cattle Commission (ACC), but contributed only 90,000 dollars to Unifarm, a sum which

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3. The CFA "unofficially " supported this position after a "straw vote" among its executive. Coleman, fn no. 16.
accounted for little more than ten percent of Unifarm's total revenue. Grain producers, represented by the United Grain Growers and the Alberta Wheat pool, contributed the lion's share of funds for the organization, and, therefore, possessed substantially more influence in that organization. Hence, Unifarm advocated direct railway payments and as a consequence, the ACC withdrew from that organization.\(^1\)

The wheat pools felt that since direct producer payments would make it more expensive to transport grain for export, producers would turn to grow non-export crops and therefore have no need for the system of smaller elevators and rail branch lines. Any threat to these elevators and branch lines was viewed with concern by the wheat pools because it was the wheat pools that ran the elevators which, in turn, provided the *raison d'être* for the branch lines.

Federal government activity on the issue of freight rate reform slowed and became sporadic at best during most of 1979 and 1980 because of the defeat of the Liberal government in 1979 and the subsequent defeat of the Conservatives in 1980. With the re-election of the Liberals in 1980, the federal government announced the creation of a four billion dollar "Western Development Fund" designed to cover the cost of compensatory payments and rail-line upgrading. But the federal government refused to use the fund in the face of "considerable dissension surrounding freight rate change."\(^2\) The government argued that both grain farmers and livestock producers were hurt by the present system of freight rates, and it was in their own best interest to change them. Further, the federal Minister of Transport, Jean-Luc Pepin, stated that the federal government was not going to

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change the system until "the farmers agreed to share the burden of higher grain freight rates."\(^1\)

At this time, the consensus of opinion shared by the members of the WAC seemed destined to splinter as the Saskatchewan Wheat Pool, an important and influential member of the WAC, owing to its large membership of 70,000 farmers, "was returning to its retentionist policy,"\(^2\) and began to side with the NFU and the Saskatchewan government in advocating the retention of the existing system of freight rates. This shift was mirrored by the new NDP Government of Manitoba, which had placed an NFU member, Sam Uruski, in the position of Minister of Agriculture.\(^3\)

Against the background of this "considerable dissension", and because estimates suggested the differential between actual costs and the Crow rates would reach more than one billion dollars by 1990, the federal government announced that it planned to replace the Crow rates with a new "statutory framework."\(^4\) In developing this framework, the federal government employed the services of Dr. J.C. Gilson, a Manitoba economist, whose duties included consulting with "the major agricultural organizations in Western Canada and the railways"\(^5\) and offering recommendations addressing the questions of who should receive the federal payment and how much the railways should be compensated.

In the course of his investigations, Gilson consulted in depth with, among other groups, the major farm organizations and railways. While his report was quite lengthy, its crux was contained in his chapter on recommendations. In essence, Gilson recommended that a

\(^1\) Ibid., p. 135.
\(^2\) Ibid., p. 136.
\(^3\) Ibid., p. 136.
\(^4\) Ibid., p. 136-137.
\(^5\) Forbes, p. 97.
base subsidy of 644.1 million dollars be payed by the federal government, and while "the entire subsidy would be given to the railroads in 1982/83", "it would...gradually be partitioned between them and the shippers until 1989/90 when the split would be 19 per cent and 81 per cent respectively."¹

Not surprisingly, Gilson’s recommendations met with differing reactions from the various agricultural interests. If, argued the Western Agricultural Conference and the wheat pools, the federal government were to provide the subsidy payments directly to the railway, then it could "withhold payments to the railways as a lever in forcing the railways to improve rail facilities."² Moreover, the WAC emphasized the logistical difficulties inherent in distributing the subsidy payments to the many thousands of producers, versus the relative simple procedure of paying the railways directly. The Saskatchewan government and the NFU remained adamant in their position of advocating no change to the Crow rates structure, while the Prairie Farm Commodity Coalition reiterated its original view that the producers should receive the differential payment directly.

While the debate among the various groups raged on, the federal government accepted Gilson’s report, and created four additional task forces to develop Gilson’s recommendations. The principal object of one task force was to study whether the farmers or the railways should receive the compensatory payment.³ The federal government unveiled its new "transport initiative" on February 1, 1983. Significantly, the federal government's proposal differed from Gilson's recommendations in stating that the 19-81 per cent split between railroads and shippers would be changed to a 50-50 split by 1985-86.

¹ Norrie, p. 441.
³ Forbes, p. 98.
Furthermore, any future increases in the cost of shipping grain would have to be evenly shared by producers with the federal government. If the amount of grains shipped exceeded 31.1 million tonnes, the additional costs were to be born by the producers alone.

Again the response from the agricultural community was mixed. The Saskatchewan government and the NFU denounced the proposal, and held to their previous position of "no change in the Crow". The Saskatchewan Wheat Pool also reiterated its previous position and disagreed vehemently with the legislation. The Pool outlined "seven points of disagreement" with the proposal, not the least of which indicated the view that subsidies paid directly to the producer do nothing to guarantee the performance of the railways.¹

In a last attempt at pressuring the federal government into changing the proposed legislation, the provincial wheat pools met with L'union des Producteurs Agricoles in Quebec. Quebec agricultural interests sided with the provincial wheat pools in opposing the "Crow benefit" because they feared exactly what prairie livestock producers desired. If the "Crow benefit" resulted in a higher profit margin and increased production for prairie livestock producers, the resultant surge in western pork production would glut the Montreal pork market, thus hurting Quebec pork producers. The combination of pressure applied to Jean-Luc Pepin and the federal government by the prairie wheat pools and the Quebec Liberal caucus (in response to pressure from the L'union des Producteurs Agricoles) proved too much for the federal government to ignore, and it amended its original proposal. The Prairie Farm Commodity Coalition immediately opposed Pepin's new plan but the pressure applied by this organization was of insufficient quantity and arrived too late.

¹ A more intensive examination of the Saskatchewan Wheat Pool's seven "points of disagreement" is done by Skogstad in her work; The Politics of Agricultural Policy Making, p. 140-141.
On May 10, Bill C-155, "An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof" was introduced into Parliament. The bill differed from the original proposal by the federal government in February in several significant ways, but perhaps most contentiously, the bill stated that the payments were to be made entirely to the railways, rather than in the progressive series of steps ending in a 50-50 split advocated in the earlier report.

After a rather rocky passage in Parliament, highlighted by intensive opposition by the Conservatives and the NDP and by 83 minor amendments, the bill was given royal assent on November 17, 1983.

Conclusion

The divisive nature of the debate surrounding the issue of restructuring the system of freight rates for grain served to deepen the cleavages within the agricultural community that were already present. The debate centered around how the system was to be changed, and even more importantly, what it was to be changed to. The various interest groups involved in the consultations surrounding the debate coalesced around the position which best served their own interests; interests which were not necessarily coterminous with those of other agricultural groups.

The implications for the renegotiation of the Crow rates were far-reaching. As Skogstad notes, two major cleavages developed within the agricultural community over the Crow debate.\(^1\) The first of these cleavages was one of commodity or function, and

centered around the disagreement between the livestock producers and grain producers. In the eyes of the livestock producers, producer payments translated into lower grain prices on the prairies, a situation which meant lower feed prices, and therefore, a higher profit margin. Moreover, livestock producers clung to the belief that the existing freight structure stifled the diversification and expansion of the prairie economy. For grain producers, any change in the Crow would mean higher transportation costs, but providing the subsidy to the railways directly would be a more acceptable alternative than providing the benefit to the farmers themselves. This was so primarily because grain producers feared the federal government could discontinue producer subsidies in the future, leaving those producers to pay the complete costs of shipping their grain.

The second Cleavage identified by Skogstad concerned the difference between

...grain farmers who held that the Crow rate was non-negotiable, believing it to be a confederation bargain or a prairie farmers' birthright, and those either persuaded that retention of the Crow rate did not further their interest of maximizing grain exports or who felt that unless they participated in the consultative process they had no hope of affecting its outcome.

The position that the original Crow rates were a "confederation bargain" or a prairie farmers' birthright was taken by the NFU. The wheat pools subscribed to the other position, but even wheat pool members were divided among themselves, and this division eventually resulted in the Saskatchewan Wheat Pool reacting to internal pressure and readopting its "original retentionist position."2

1 Ibid., pp.150-151
2 Ibid., p. 151.
From a neo-corporatist perspective, an analysis of the debate is particularly instructive. Many of the organizations involved in the debate were originally members of the CFA, but they disagreed openly over the issues involved in the Crow debate, and in many cases, actively opposed each other. The fact that this "dissension within the ranks" could not be managed within the CFA demonstrated the inability of the CFA to impose order within its own ranks and speak with an authoritative and unified voice for its member associations. Hence, the events surrounding the Crow rates revision conclusively demonstrate that the CFA was not a peak organization as defined by Schmitter.

It appears that the CFA was itself aware of its lack of control over its component members. Rather than taking a direct stand on the issue, and appearing before the Standing Committee on Transport to voice its position, the CFA submitted a letter stating its position. In its letter, the CFA stated that it recognized the "strongly held differences of view that...exist within...[its]...organizational structure on this issue," and for this reason it felt that "the interests of all our members, and of our organization itself, would be best served by our associated organizations pursuing their own representation and consultations." What further evidence is needed to point out the lack of internal authority within the CFA than a statement implying as much by the organization itself?

The divisions between the various commodity groups belonging to the CFA were made deeper as a result of the divisive nature of the debate concerning the restructuring of the Crow rates. The agricultural community became splintered as each group looked to its own interests. The organizational structure of the CFA could not accommodate the divisions, nor could it authoritatively impose order on the discord and the result was the virtual

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1 From the *Minutes of Proceeding and Evidence of the Standing Committee on Transport*, Issue No. 146A, p. 129., as quoted in Forbes, p. 103.
collapse of the CFA. Clearly, this collapse serves to support the view of this thesis that the CFA was not a peak association. But, as the next chapter will show, this fact is not surprising considering the features of the Canadian agricultural sector and the Canadian political system in general which inhibit the development and operation of neo-corporatism in Canada.
The previous two chapters of this thesis have demonstrated that the Canadian agricultural sector did not possess those elements which are necessary in order for that sector to be classified as neo-corporatist. The present chapter examines the reasons why these specific elements could not exist and have not developed within the Canadian agricultural community. The agricultural sector is only one sector of Canadian society, therefore, several of the explanations offered to explain the lack of neo-corporatist elements in the agricultural sector specifically cannot help but address the broader question of why the development and operation of neo-corporatism in Canada would be unlikely.

The chapter begins by examining the specific characteristics of the agricultural community which have "hindered" the development of corporatist elements. This part of the chapter draws upon the findings of chapters II and III of this thesis. The chapter then explores those features of Canadian society in general which have discouraged the development of neo-corporatism in Canada, and which make the future growth of neo-corporatist elements unlikely. The last segment of the chapter consists of some general concluding remarks.
At first glance, some of the historical circumstances surrounding the development of agriculture in Canada would seem to indicate a distinctive "trend" towards the development of a neo-corporatist tradition. According to Leo Panitch, this tradition of neo-corporatism is evident in the political writings of Henry Wise Wood and William Irvine, and in the "political program of the United Farmers of Alberta." As Panitch notes, the neo-corporatist elements here are found in the common view that "the party system be replaced by the political organization of occupational or industrial groups...each uniting the stable interest of the members of the group and each nominating and electing its representatives to the legislature." Panitch also suggests that the concept of "group government" put forward by "the western Canadian wheat farmers organizations and leaders in the second and third decades of this century" is a further indicator of a neo-corporatist tradition. But in the case of the "group government" concept, this tradition was cut short when "the decisive principle of group government...was abandoned even before the UFA took office, by the announced decision that the UFA would take the responsibility of forming a government." Moreover, even the neo-corporatist views espoused by Wisewood and Irvine, which were taken up by farmers in Saskatchewan and Alberta, disappeared when Saskatchewan farmers formed the CCF with its "absolute, unyielding commitment to parliamentarianism," and Alberta farmers "turned to the plebiscitarianism of Social


3 Ibid., p. 57.

4 Ibid., p. 59.
If there was a "neo-corporatist tradition" in the Canadian agricultural sector, it was decidedly short-lived.

Another feature of the Canadian agricultural sector which may be misinterpreted as an indicator of neo-corporatism is the extensive level of government involvement within that sector. V.C. Fowke, one of the premier authorities on the development of Canadian agriculture, saw the extensive role of government in the agricultural sector as a direct reflection of the importance agriculture had within the country as a whole. Agriculture was (and still is) the largest single sector of the economy. Consequently, the economic health of the country was directly tied to the health of the agricultural sector.

According to Fowke, agriculture has played an important role in Canadian development not because of the fact that it was a force for economic growth itself, but because it was a means of encouraging other aspects of colonial growth. In Fowke's view, "Canadian agriculture over the centuries has been an instrument of commercial and political empire in three ways." The first of these ways was "...a defence [sic] device, where settlement [had] been encouraged for the protection of territory and trade routes". The second way in which agriculture acted as an instrument of "empire" was "as the provisioner of the great staple trades, whether of fish, fur, sugar, or timber, or of the carrying trade itself." Finally, as the agricultural sector developed, it gained in importance as a producer of wheat, which was a staple product. In this sense, agriculture became an economic enterprise and "...offered to commerce, finance, and industry the vitality which can derive

1 Ibid, p. 59.
3 Ibid., pp. 3-4.
4 Ibid., p. 4.
only from an ever-expanding circumference of economic activity and the investment opportunities associated therewith."¹ Thus, according to Fowke, "assistance to agriculture has been consistently recognized as a function of government at all times in areas which now form part of the Dominion of Canada."² Fowke presents a convincing explanation for the high degree of government involvement found within the Canadian agricultural sector.

Since neo-corporatism is necessarily about the relationship between government and interest groups, the fact that both levels of government are, and have been, so heavily involved with the agricultural sector in Canada may indicate to some a likely place for neo-corporatist elements to develop. While this thesis does concur with the view that government is highly involved in the agricultural sector in Canada, it is important to note that while an extensive level of government involvement within the agricultural sector is a necessary condition for the growth of neo-corporatist structures, it is not a sufficient condition. Moreover, government involvement in a particular sector may simply mean "consultation and collaboration among administrations and organized interests," which, as Gerhard Lehmburch notes, "is common in all constitutional democracies with a highly developed capitalist economy."³ Thus an extensive level of government involvement in the agricultural sector is not necessarily an indicator of neo-corporatism.

Earlier in this thesis it was suggested that one of the required elements of a neo-corporatist system was the presence of a peak association which could speak authoritatively for the organizations which were contained within that association's umbrella. The thesis

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¹ Ibid., p. 4.
² Ibid., p. 1.
then concluded that the lack of such an organization within the Canadian agricultural sector served to substantiate the claim that neo-corporatism did not exist in that sector. The following pages demonstrate that the lack of a peak organization in the Canadian agricultural sector is not surprising considering the nature of the agricultural sector itself.

As the introduction of this thesis stated, society has become increasingly complex and specialized. Perhaps nowhere has this specialization become more apparent than in the agricultural sector. As agriculture has become increasingly specialized the number of multi-commodity farms has dwindled.¹ The concomitant rise in the number of single commodity farms has fueled the growth of specialized commodity organizations to represent the producers of specific commodities.² Since the agricultural sector itself subsumes many commodities, the number of such commodity organizations has become large. As the case of the Crow rates debate discussed in the previous chapter demonstrates, this specialization can lead to differences in the way in which the various commodity groups view the same issue. Thus, any association attempting to operate as a peak association in the agricultural sector must somehow accommodate these divisions, and yet speak authoritatively for that sector.

² This transition has been well documented by other scholars. In summarizing previous studies from 1981 Canadian census data, Janice Dyer stated that "specialization increased as farms moved away from mixed farming operations and toward production of one type of product", and "much more of the production of each commodity is now accounted for by specialized farms". See Janice Dyer, "Structural Change in the Livestock Sector", Working paper, 4/88, Agriculture Canada, 1988. Also, Grace Skogstad, from questions in response to a paper given at the Conference on the Political Economy of Europe and North America, entitled "The Political Economy of Agriculture", Saskatoon, Saskatchewan, 1990.
Clearly, the CFA could not do that, and it is doubtful if any other organization could do so. The very nature of agriculture, coupled with the increase in its specialization, has made it difficult, if not impossible, for any single umbrella organization to speak for the sector as a whole. This thesis suggests that these latent cleavages are inherent in the nature of agriculture, and that they became apparent as agriculture became increasingly specialized. For these reasons, the agricultural sector is not, and has not been conducive to the development of a neo-corporatist peak association, and thus inhibits the development of one of the primary features of a neo-corporatist system of interest representation.

Since the agricultural sector is only one of several sectors within Canadian society, it is not surprising that factors which may hinder the development of neo-corporatism in Canada as a whole also adversely affect the growth of neo-corporatist elements within the agricultural sector. As Paul Pross notes,\(^1\)

Our political structures are in many ways incompatible with corporatism. Divided jurisdiction means that key elements of the economy must be managed by different sets of institutions owing no obedience to one another. It may be possible for the federal government to arrange corporatist structures to deal with matters within its competence, but there are few such matters today that can be handled without in some way affecting, or being affected by, provincial policies.

The evidence presented earlier in this thesis substantiates Pross's conclusion and supports the view that a federal system of government severely curtails the development or operation of a true neo-corporatist system of interest representation. But some may claim that empirical evidence exists to prove this is not the case. For example, they may cite the case of the Federal Republic of Germany as an example of a federal system which exhibits substantial neo-corporatist elements. But here one must be careful to recognize the fact that

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\(^1\) A. Paul Pross, *Group Politics*, p. 225.
all federal systems do not operate in the same fashion. The degree of centralization and
decentralization within various federal systems is often different, and the development of
neo-corporatism is affected by this *de facto* distribution of powers.¹ For, example, the
Federal Republic of Germany, in terms of legislation or division of powers, is more
appropriately categorized as a "unitary federal state."² Canada, on the other hand, is
perhaps best viewed as a highly decentralized federal state in which the provinces have a
great deal of authority. This is even more the case in the agricultural sector, where gov­
ernment at both levels is involved in that sector by virtue of the fact that agriculture is listed
in the Canadian Constitution as a concurrent power.³ Thus, in Canada, those particular
features of the agricultural sector which inhibit the adoption of neo-corporatism reinforce

¹ I use "de facto" here to differentiate between the actual operation of a
federal system and how one would assume that federal system would operate
from a strict reading of its constitution. For example, a strict reading of the
Canadian Constitution presents a picture of a centralized federal system, with
abundant powers residing in the hands of the national, or federal,
government. But, of course, the "de facto" division of powers leans towards
much more powerful provinces.
² Konrad Hesse, *Der unitarische Bundestaat* (Karlsruhe: C.F. Mueller, 1962)
³ Section 95 of the BNA Act states that "In each Province the legislature may
make laws in relations to Agriculture in the Province...and it is hereby
declared that the Parliament of Canada...may make laws in relation to
agriculture in all or any of the Provinces...and any law of the Legislature of a
Province related to Agriculture...shall have effect in and for the Province as
long and as for only as it is not repugnant to any act of the Parliament of
Canada." This thesis does recognize that the federal government has adopted
the lion's share of responsibility in the agricultural sector. As Grace Skogstad
has pointed, while the responsibility for agriculture is a concurrent
responsibility to be shared by both levels of government, the power over
interprovincial marketing is a federal power. Thus, since agriculture is
regionally specialized, and in order to market the products of the various
regions in other regions, the federal government has had to implement a
system of agreements governing the interprovincial movement of
agricultural commodities. For example, in the poultry sector, it is a federal­
provincial agreement that provides for "provincial sharing of the national
market for the regulated commodity[s]". Skogstad., "Federalism and
Agricultural Policy", p. 196
the more general obstacle for neo-corporatist development which is posed by Canadian federalism in general. In other words, the power of federalism to inhibit the growth and development of neo-corporatist structures is reinforced in the Canadian agricultural sector by the particular characteristics of that sector.

Another factor which makes the development of neo-corporatist structures in Canada unlikely is the fact that the ideological climate in Canada is hostile to the adoption of neo-corporatist elements. Several scholars have developed the view that the political structures and the corresponding patterns of political activity of a society are reflections of the political culture of that society. Lucian Pye notes that "politics is...deeply rooted in the native genius of each nation,"¹ while Gabriel Almond states that "every political system is embedded in a particular pattern of orientation to political actions."² This "native genius" and "particular pattern of orientation to political actions" is, of course, the political culture of that nation, which is "a product of both the collective history of a political system and the life histories of the individuals who currently make up the system; and thus is is rooted equally in public events and private experiences."³ Canadian political culture is deeply rooted in the western liberal democratic tradition which espouses individualism, equality, competition, and a diffusion of authority. Neo-corporatism, on the other hand, presupposes hierarchy, a lack of competition, centralized decision making, and inequality in the sense that certain groups (the peak associations) enjoy an advantage over other groups in influencing policy makers.

³ Lucian Pye, p. 8.
As the introduction of this thesis stated, neo-corporatism does not square with the assumptions behind liberal democracy because it implies a lack of equality between groups involved in policy-making. For those less informed, neo-corporatism also conjures up images of Mussolini's Italy, even though the difference between the corporatism of Benito Mussolini's Italy is quite different from the "liberal" or Neo" corporatism of Austria and the Federal Republic of Germany.¹ Those fearful of these "threats" appear to have little to worry about, since, as Pross notes, in practice, "Canada has followed a path that is far removed from corporatism," and even those "hesitant movements towards a more integrated system will not easily displace two centuries of individualism."² We conclude that Canadian political culture is not conducive to the creation and operation of neo-corporatism, and as the previous two chapters have shown, the system of interest representation in the Canadian agricultural sector does not stand as an exception to his statement.

The relationship between Canadian political culture and neo-corporatism may be approached from another angle as well. In an examination of why neo-corporatism could not exist within the United States, Robert Salisbury stated that a neo-corporatist system required an "entity capable of recognizing, licensing or creating a peak association and then bargaining with it in a substantively meaningful way".³ This entity was, of course, the "state". Salisbury concluded that the United States did not possess such a "monistic state"

² Paul Pross, Group Politics, p. 225.
because it did not contain one particular party with enough authority to "bargain effectively" with a specific sector. Hence, neo-corporatism was not only unlikely, but it was also impossible in that country. It is, of course, impossible to apply Salisbury's conclusion in absolute form to Canada, because one of the premier features of the Canadian political system is the presence of a party system. But, as Dyson suggests, the presence of a party system may well operate in a reverse fashion from that suggested by Salisbury. Dyson argues convincingly that the adversarial and accusatory style of party politics creates a fluid and dynamic political environment that is not conducive to stable arrangements between the party in power and groups.¹ Such a stable arrangement, however, is a necessary condition for the development of a neo-corporatist system of interest representation. Thus, it follows that the presence of a party system in Canada inhibits the development and operation of a neo-corporatist system of interest representation.

While Salisbury's statement concerning the relationship between party systems and neo-corporatism may be incorrect, his argument that neo-corporatism requires an "entity capable of recognizing, licensing or creating a peak association and then bargaining with it in a substantively meaningful way" mirrors the concerns of other scholars who point out that a clearly defined and operational concept of the state is necessary for the development of neo-corporatism. This view is, of course, a direct corollary of the argument expressed in the paragraph above in which it was stated that political culture determines the variety of political structures which exist in particular political system. Thus, a clearly defined concept of the "state" is necessary for the development of a neo-corporatist system of interest representation.

Does such an entity exist in Canada? This thesis concurs with the view that a historical and philosophical tradition of the "state" does not exist in Canada. In a comment on the British system, which may be applied equally to the Canadian system, Dyson claims that Britain does not possess a true "state", because in that political system, the executive must act as a "broker between contending interests rather than [as] an executor of a single issue."¹ Dyson also suggests that the "deep inhibitions about exercising 'public power" present in the British government are "the product in part of a liberal ideology that emphasizes diffusion of authority rather than the importance of instruments of state policy."² The Canadian system of government has shared this same "liberal ideology" and it is not illogical to assume that the comments directed towards the British example may also be applied to the Canadian system of government. Thus, we may conclude that neo-corporatism cannot flourish in Canada because the necessary requirement of a clearly defined notion of the "state" is not present.

Conclusion

Government activity pervades the Canadian agricultural sector. However, by itself, this fact is not a sufficient condition for the rise of neo-corporatist elements. Paul Pross warns that "the 'normal interest-group and regulatory-agency characteristics of any advanced capitalist polity' should not be mistaken for tripartism."³ It is perhaps correct to add to this statement that tripartism should not be mistaken for neo-corporatism. According

¹ Ibid., p. 67.
² Ibid., p. 67.
³ Paul Pross, paraphrasing Leo Panitch, "Corporatism in Canada?", as quoted in Paul Pross, Group Politics., p. 217.
to Schmitter's definition of neo-corporatism, a specific set of requirements must be met before that system of interest representation can be correctly referred to as neo-corporatist. For the reasons discussed above, it does not seem likely that this set of requirements can be met in the Canadian agricultural community.

As the previous pages have demonstrated, the Canadian agricultural sector, and Canadian society in general, contains significant impediments for the development of neo-corporatist structures. Moreover, Canadian society does not contain several conditions which are necessary for the development and operation of a neo-corporatist system of interest representation. For these reasons, it is doubtful whether such a system will develop in Canada.
CHAPTER V: CONCLUSION

This thesis has demonstrated that it would be incorrect to refer to the organization and structure of interest representation in the Canadian agricultural sector prior to the Crow debate of 1982-84 as an example of the neo-corporatist model. While interest groups within the agricultural sector were hierarchically ordered, that sector did not possess an organization which conformed to Philippe Schmitter's definition of a peak organization. Two national organizations were examined as possible examples of peak associations, but neither met the criteria established by Schmitter. In the case of the National Farmers Union, membership was not representative of the agricultural community and senior NFU officials stated that their organization was often "shunted aside" by government during policy making.\(^1\) In the case of the Canadian Federation of Agriculture, that organization was unable to speak authoritatively for its sector. Furthermore, both organizations suffered the competition of various specialized commodity groups which operated as quasi-peak organizations of their respective sub-sectors of the agricultural sector.

It is recognized that Schmitter's definition of neo-corporatism and peak associations are "ideal types" and not accurate representations of what exists in reality in any political or

\(^1\) From an interview with Stuart Thiessen, Secretary of the NFU, Saskatoon, SK., June 14, 1990.
economic sector. However, referring to the CFA as a peak association simply because it "comes close" or "approximates" Schmitter's definition weakens the analytical utility of the concept. One could foresee a situation where all associations may be referred to as partially fulfilling the requirements of the definition of peak organization, and thus the usefulness of the concept as an analytical tool to assist in describing and comparing various systems of interest representations becomes weakened.

The ability of the Canadian Federation of Agriculture to speak authoritatively for its sector was tested and found wanting in the Crow debates of 1982-84. As the previous pages have demonstrated, the divisive nature of the debate seriously challenged the organizational integrity of the hierarchy present within the Canadian Federation of Agriculture. This challenge was not met by the CFA, and the result was the virtual collapse of that hierarchy. The withdrawal of several of its member associations during the debate strongly indicates the CFA's inability to speak as a "unified voice for all agricultural producers in Canada". This is especially true in the case of the withdrawal of several of the provincial federations of agriculture which collectively represented the majority of grain production in Canada.

As stated earlier, the development of a neo-corporatist system of interest representation requires a great deal of government involvement in that particular sector. In the Canadian agricultural sector, this government involvement began at an early stage in the path of Canadian economic and political development. However, as chapter IV of this thesis demonstrated, while this government involvement was a necessary condition, it was not a sufficient condition for the development of neo-corporatist elements. Moreover, some of the special characteristics of the agricultural sector, and of Canada in general, seriously inhibited the adoption of neo-corporatist elements.
As stated in the introduction, one of the central justifications for examining the extent of neo-corporatism within the agricultural sector was the perceived threat such a system of interest representation posed for democracy and democratic conceptions of policy-making which stress openness and equality. Since the previous chapters have shown that neo-corporatist elements did not exist within the agricultural sector, this then seems to augur well for democracy in Canada. But is this truly the case? One may argue that in terms of openness and equality we may be no better off having one peak organization, such as the CFA, than several commodity-specific organizations. In either case, policy is made by non-elected actors and the resultant policy lacks the legitimacy given to policy made by elected representatives. This is, of course, a criticism of the role of interest groups in policy making in pluralist systems as well, but it is particularly relevant in a neo-corporatist system where parliament is "by-passed" or "short-circuited".

Adopting a rather conspiratorial view of government, this splintering of agricultural groups in general, and the CFA in particular, may be viewed with favour by both levels of government. Here now lies the chance for government to "play off" the various commodity groups against one another in the policy-making process. This concern was voiced with particular conviction by members of the NFU.1 From the perspective of government, the increase in the number of agricultural groups, each with often different demands, means a less unified position on behalf of agricultural producers on policy issues. If one adopts a "zero sum" approach to policy-making, then the agricultural groups lose influence, while the government gains it. In practical terms this means that the government will have fewer restrictions on its behaviour in the agricultural sector, and

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greater freedom in making policy and introducing policy initiatives as it will not be required to defend its actions to a strong and unified agricultural community. This situation does not sit well with proponents of democracy who already lament the relative powerlessness of elected officials vis-a-vis non-elected officials in the government bureaucracy.

But where does all this leave the National Farmers Union? Because the nature and associational structure of the NFU was different from that of the CFA, it reacted to the crisis of the Crow debate in a different fashion. In other words, because the NFU was a direct member organization, and not differentiated on the basis of commodity group, the reaction of the NFU to proposed revisions to the Crow rate was different. While the NFU is differentiated on the basis of territory, and agriculture is regionally specialized, this researcher could find no evidence to support the view that NFU members in Eastern Canada expressed different views from NFU members in Saskatchewan. Apparently, the NFU is able to accommodate any internal dissensions that may arise. This is perhaps partly due to the fact the NFU membership is remarkably homogeneous, and comprised mainly of producers on mixed farms. One would expect that because of their similar circumstances, these producers would share similar positions on policy issues. Thus, they could remain united even on a controversial issue such as the revision of grain freight rates. Moreover, because there were no structural cleavages within the organization which could be "pried apart" by divisiveness, unlike the CFA, the NFU maintained its organizational integrity.\footnote{While NFU membership has declined, there was no evidence to suggest it did so significantly before or after the Crow debate.}

As stated at the outset of this thesis, one of the explanations given for the rise in importance of special interests groups is that they offer an alternative to the system of
representation based upon territorial considerations. Moreover, because many issues in modern society demand specialized knowledge, spatially based representation, which can not deal with these specialized problems, is being replaced by sectorally defined interests which are more able to deal with matters in their various fields of specialization. The case of the collapse of the Canadian Federation of Agriculture suggests that this rise of sectorally defined interests holds negative repercussions for broad-based interest organizations. It is apparent that the CFA collapsed because it became impossible to reconcile the various, and sometimes incongruent, positions of those groups which it represented.

Some suggest that one of the original reasons agricultural groups possess a disproportionate level of political power is because of their ability to converge and join together and emphasize their common interests. It seems that these common interests are not that common after all. The increasing specialization of agriculture, coupled with the rise of distinct commodity groups seems to indicate a further fracturing of the general farm groups. This problem is compounded by the fact that recent allegations by a senior official of the Prairie Pools, a CFA member organization, suggest CFA influence is growing weaker. Javier Caceres, director of national affairs for the Prairie Pools, stated in a 1988 meeting with Saskatchewan Wheat Pool delegates that the CFA's "consultative and collaborative approach" is not "able to convince the government on policy changes in areas that are crucial to the government agenda."¹ Clearly, this statement, from one intimately familiar with the affairs of the CFA and its ability to influence policy, is not in keeping with a description of a neo-corporatist system of policy making.

¹ "Consultations' may be a ploy", *Western Producer*, July 7, 1988.
As the difference between the structural organization of the CFA and its actual operation demonstrates, merely organizing oneself in a fashion which would facilitate neocorporatism is not enough. As Paul Pross notes, "the recently accelerated institutionalization of interest groups encourages participation in corporatist forums but as long as power in groups remains decentralized these forums will lack authority."1 As can be seen, this statement is readily applicable to the CFA and the Canadian agricultural sector as the "decentralization of power" and the resultant "lack of authority" were aptly demonstrated by the agricultural community during the discussion surrounding the renegotiation of the Crow rates.

In a comment on the functioning of neo-corporatist systems, Etzioni-Halevy states;2

...where a high degree of rank and file autonomy exists, and members use their associations to convey demands upwards, corporatism is not strongly developed and an element of pluralism is introduced.

This statement depicts interest representation within the Canadian agricultural sector. Perhaps others will examine the agricultural sector from the standpoint of pluralism, as this thesis has done from a neo-corporatist perspective. While this thesis demonstrates that neo-corporatism did not, and could not, exist in the agricultural sector, this alone does not imply the presence of an active and functioning pluralist system. Other studies are also needed to examine the extent to which this "element of pluralism" exists in the Canadian agricultural sector.

1 Paul Pross, Group Politics., p. 225.
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