OKANAGAN FRUIT GROWERS AND THE ABANDONMENT OF ORDERLY MARKETING: LAND USE CHANGE, SINGLE DESK SELLING AND THE COMING OF THE AGRICULTURAL LAND RESERVE

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ABSTRACT

The creation of an orchard landscape within the interior of British Columbia was based upon a flawed settlement philosophy, geographic isolation, and the challenges of an inhospitable natural environment. Okanagan fruit growers became one of the first producer groups in Canada to establish a system of legislated, compulsory co-operation, single-desk selling, and orderly marketing. While their efforts p aralleled those of f armers in m any other r egions, they also reflected local conditions including a flawed s ettlement p hilosophy, geographic isolation, and the challenges of an inhospitable natural environment. For over thirty-five years, and through the oversight of the British Columbia Fruit Growers Association, these marketing tools furthered the interests of growers in all matters directly connected with the production and marketing of their fruit. As coping mechanisms, however, the single-desk and orderly marketing did not allow growers to entirely master the limitations of the landscape in which they operated. During periods of low returns and climactic distress the unencumbered subdivision and sale of orchard land emerged as a safety valve necessary for the continued operation of the single-desk. When, in 1973, the provincial government of British Columbia introduced farreaching restrictions on the subdivision and conversion of farmland, a legitimate avenue of exit for many growers was closed. The subsequent unrest engendered by the new land use controls proved fatal to the marketing system as dissidents, opposed to the entire industry structure, succeeded in having the provincial government remove the monopoly status enjoyed by BC Tree Fruits.

Relying upon a broad range of archival and secondary sources, this thesis explores the historical circumstances in which the Okanagan fruit industry became dependent upon regulated, co-operative marketing, and then abandoned the orderly marketing system.

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What a long trip it has been. There are many people who assisted in the completion of this thesis, none more so than my parents. Their support, encouragement, and feedback have sustained me through these ten years of university, and are what allowed the writing of this thesis to ever be considered. I am also forever indebted to Dr. Ian MacPherson at the University of Victoria for taking the time to instill in an eager, but very unrefined undergraduate student the confidence to pursue a topic on the fruit growers at the graduate level. I would also like to thank my supervisor, Dr. Brett Fairbairn, for allowing me the opportunity to come to the University of Saskatchewan and experience the stunning flatness of the Prairies. His patience, understanding and advice over the last couple of years have been truly invaluable, and greatly appreciated. I also owe a huge debt of gratitude to my semi-reluctant, but very reliable editor Matthew Garrish - sibling rivalries can be challenging at the best of times without the stresses of writing a thesis getting in the way. Finally, I must thank Heather Quinn for allowing me to quietly work on my thesis between the hours of midnight and 4am, and for reminding me of a life outside of study.

This thesis is dedicated to the memory of my grandfather Arthur Ross Garrish 1916-1996 v

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Introduction

It is many years since anyone has asked me to speak on anything to do with the fruit industry. The story of the Three Wise Men, Haskins, Barrett, and Hembling, and the tremendous contribution of A.K. Loyd was the stock routine of any previous speeches or talks, and nothing much had changed in the fruit industry and nothing much looked like it would change. The orderly marketing system which had been the product of so much blood, sweat, toil and tears in the thirties seemed to be so firmly established as to be irreplaceable. But changes have taken place...¹

> Arthur Garrish Speech to the Okanagan Historical Society November 4, 1984.

To those of us who still maintain a keen interest in the fortunes of the Okanagan fruit growers, word in 2000 that efforts were afoot to remove the last vestiges of the Tree-Fruit Marketing Scheme served as a poignant reminder of the events that took place over a quarter of a century ago: events that forever changed the course of the industry. Back in the late 1960s and early 1970s, the landscape of the valley was still dominated by family-owned orchards, just as it had been since the turn of the century. The presence of a service sector geared to an increasing tourist trade and the emergence of large-scale vineyards — that would eventually co-opt the orchard landscape in later decades — were still only in their embryonic stage. The fruit growers stood at the apex of their commercial and social influence within the Okanagan, as apples powered the region's economy. So great was their importance that the decisions made at the annual Convention of the British Columbia Fruit Growers Association (BCFGA) garnered more attention in the local press than did most initiatives emanating from the Provincial Legislature in Victoria. By some

accounts, being one of the over 2,750 registered fruit growers in this era meant enjoying a relative level of prosperity.² This affluence, however, had not been accomplished by default: it had been slowly constructed by an industry that operated through the depths of financial turmoil, survived crises of production and ultimately prospered within a rigidly structured hierarchy that shored up the viability of the individual orchard units.³ Fundamental to all these efforts was the Tree-Fruit Marketing Scheme, a state sanctioned organization that embodied and legitimized grower aspirations for stability and prosperity.

The Marketing Scheme created a three-person British Columbia Fruit Board, appointed by the growers through the BCFGA. The board, in turn, routinely designated BC Tree Fruits as the sole selling a gency for the growers' produce. In practical terms, the scheme effectively limited the debilitating competition that had wrought havoc on the industry in the past, but it did so on rather illiberal terms. All growers were compelled by provincial law to sell their produce through the central desk of BC Tree Fruits, thereby ensuring a better return for the whole grower body through collective marketing. By controlling the sale of all fruit through one agency, growers co-operated "for the benefit of all by pooling their products, consolidating their selling, avoiding glutted markets, planning and regulating distribution, and building expensive cold-storage plants."⁴ During the flurry of events that would strike the industry in the seventeen months between August 1972 and January 1974,

¹ Arthur Garrish was my grandfather. Arthur Garrish, "The Orderly Marketing System," Okanagan Historical Society, 50th Report, 1986, pp. 60-61.

² A plebiscite on the future of central selling was held in late 1973. The *Vancouver Sun* reported on December 17, 1973, p. 14 and December 20, 1973, p. 15, that there were approximately 2,750 individuals registered to vote – of which 2,018 turned out on December 19, 1973.

³ Colin Malcolm Reeves, "The Establishment of the Kelowna Orcharding Area: A Study of Accommodation to Site and Situation," Unpublished MA Thesis, University of British Columbia, 1973, p. 5.

⁴ Arthur Garrish, quoted in British Columbia, Department of Agriculture, *Report of the Royal Commission on the Tree-Fruit Industry of British Columbia*, Dean E.D. MacPhee (Commissioner), Victoria: Queen's Printer, 1958, p. 45.

however, it was this seemingly innocuous characteristic, once regarded as absolutely necessary for the greater good, that precipitated the abandonment of the scheme. Twenty-six years later, the total number of growers registered with the BCFGA has declined to hardly more than 600, and the Okanagan is now more commonly associated with viticulture and a blossoming high tech sector, giving rise to the moniker "Silicon Vineyard." The fruit industry, moreover, h as r esorted to s eeking grants from the Ministry of Tourism on the premise that it is a major facet in the marketing of the region. By no longer even seeing itself as an entirely viable, standalone industry, the fruit growers ultimately raise concerns about whether they are in the sunset of their existence, and what prospects the future holds for them.

This study will endeavour to delineate the historical circumstances that led to the ultimate abandonment of the orderly marketing system in the early 1970s. At its core, the reader will find within this thesis a strong emphasis on the role of the natural landscape, and of individual attempts first to modify the land and then eventually to accommodate it. In this vein, the writing will follow the example of the American environmental school of history, and writers such as William Cronon, William Robbins and Richard White who explore the relationship between people and the land.⁵ The research will attempt to establish that the land-use decisions made during the early development of the orchard landscape bore little relation to the physical restrictions of the n atural environment. In placing the fruit industry u pon such a fragile foundation, boosters, land speculators, and even the provincial government condemned growers to seek stability through local institutions and

⁵ Some of the more notable works from this school of history are: William Cronon's Changes in the Land (1983), and Nature's Metropolis (1991), Richard White; Land Use, Environment and Social Change (1980), William Robbins; Landscapes of

organizations extraneous to the orchard unit. Of particular note in this process is that, consciously or not, the growers' chosen vehicle, the co-operatively based BCFGA, was molded as much by the dictates of the natural environment as it was by the growers. The history of the fruit growers, therefore, is one in which the landscape and the region become important factors in the reordering of human actions to achieve an accommodation to site and location. It was this environment that helped create a need for market co-operation and led to the emergence of the BCFGA as "one monolithic authoritative organization … controlling BC Tree Fruits, Sun-Rype Products Limited, and also having control over the BC Fruit Board," after 1951.⁶

A key challenge in understanding twentieth century agriculture is to understand the reasons why producers owning small and average sized farms have banded together — or been banded together by government — to form collective marketing associations. One explanation is the economic dynamic of producers, numbering in the tens, and even hundreds of thousands competing in the same market with the same product.⁷ Reaching any form of independent consensus with such a vast number of producers on issues of price agreements, restrictions on output, or orderly marketing becomes virtually impossible. As farmers' income is wholly dependent on the price they receive for their product, the consequence of uncoordinated and independent action in the marketplace results is diminished average returns and a possible role for some form of collective marketing. Through pooling their product and creating economies of scale in a marketing association,

⁶ Garrish, 1986, p. 61.

Promise (1997), Steven Stoll; The Fruits of Natural Advantage (1998), Mark Fiege; Irrigated Eden (1999), and Donald Worster; Rivers of Empire (1985), and Under Western Skies (1992).

⁷ For an early example of these factors at work in a Canadian context, please refer to Vernon Fowke's *The National Policy and the Wheat Economy*, Toronto: University of Toronto Press, 1959. On the more recent history of collective marketing, as

producers can improve their economic position through price discrimination, the extension of traditional markets, and the elimination of middlemen - ensuring that profits earned from the sale of the commodity revert back to the producer. Further implementing these measures on a co-operative basis allows an equalization of market power between the many small producers who may comprise a co-operative, and the more concentrated, corporate markets in which they operate. California fruit growers embarked upon this very path in the 1890s, using market co-operation to participate in the economy as equals alongside big corporations, collectively overcoming their geographic isolation from the largest urban of markets in the United States (such as New York and Chicago).⁸ On the Canadian Prairies, market co-operation was employed to help stabilize the position of an industry saddled with thousands of farmers who had indiscriminately expanded into a dry belt following the re-introduction of the pre-emption principle to land grant policy in 1908.⁹ In effect, farmers throughout Canada, the United States, and abroad had turned to cooperative marketing by the 1920s to address the economic challenges that confronted them.

While all commodity producers have faced similar pressures, marketing issues alone do not always explain why farmers opt for collective solutions. The case of the BCFGA highlights an additional factor: environmental pressures from the landscape itself, and the effects of these in terms of insecurity and instability. The arid, desert-like climate made the construction of irrigation systems, an undertaking

⁹ Fowke, pp. 76-77.

embodied in the Canadian Wheat Board, see also Andrew Schmitz and Hartley Furtan, The Canadian Wheat Board: Marketing in the New Millennium, Regina: Canadian Plains Research Centre, 2000.

⁸ Steven Stoll, The Fruits of Natural Advantage: Making the Industrial Countryside in California, Berkeley: University of California Press, 1998, pp. 63-75.

far beyond the financial means of any individual grower, essential to the success of fruit growing in the region. The geological history of the Okanagan further bestowed upon the fruit industry an inconsistency in soil types that left many orchards on land of only marginal capacity. The north-south orientation of the valley also jeopardized a grower's livelihood by subjecting orchards to inclement winter weather capable of killing an entire fruit tree in only a matter of days. A final challenge posed by the environment was the sheer remoteness of a fruit-growing district within an isolated mountain valley, and all subsequent dislocations from any major market. Thus Okanagan fruit growers, in being based on an environmentally insecure foundation (like Prairie grain farmers) and selling to distant markets (like California fruit growers) formed strong collective organizations like these other groups. This differed from, for example, coastal growers in British Columbia, who by virtue of their location faced milder and more tolerant conditions as well as shorter routes to market. In the face of environmental insecurity, marginal lands, and fragmented small-scale ownership, the BCFGA assumed the role of a coping mechanism. Central selling and orderly marketing provided the tools needed to protect and further the interests of growers in all matters directly connected with the production and marketing of their fruit in a less than hospitable natural landscape. To the extent that the Association was called upon to perform this role, it proved surprisingly successful from the 1940s to the 1960s in fulfilling the needs of growers. Unfortunately, it is clear in hindsight that there were detrimental aspects to the growers allowing the BCFGA to become so welded to the philosophy of orderly marketing.

As the 1960s progressed, the association found itself ill-equipped to assess the significance of an increasing rural-urban competition for use of the limited land base in the valley. Moreover, the steady growth of centres such as Kamloops, Kelowna, Vernon and Penticton put orchards in the direct line of an expanding urban-rural fringe. As land prices soared and growers struggled under the hardship of successive frosts, it became an accepted practice to sell out completely, or to subdivide one's holdings where possible --thereby recovering losses incurred on the orchard. The sale of orchard land in this way became a safety valve for the industry, deflecting criticism from a marketing system incapable, at times, of delivering a satisfactory return to growers. When the broader implications of urbanization were ultimately realized in 1972, the provincial government began the process of instituting far-reaching restrictions on the conversion of farmland, effectively closing the one avenue available for profitably exiting the industry. The legislation introduced to regulate the use of farmland led to widespread unrest within the fruit industry, and the re-emergence of a small band of dissidents pushing for a relaxation of the rules surrounding the single-desk. Due to poor crop returns, and the farmland freeze, the BCFGA found itself poorly positioned to mount a convincing countercampaign to the dissidents. The provincial government further abandoned the Fruit Board in its enforcement of mandatory single-desk selling, denying the industry the structures upon which it had operated for over thirty years. The result of these events was what the official removal of the Tree Fruit Marketing Scheme would acknowledge all these years later: The Abandonment of the Orderly Marketing System.

Below the Ditch The Creation of an Orchard Landscape

The geography of British Columbia, which historically relegated farming to a supplementary rather than primary component of the economic system, has severely restricted the development of extensive cultivation, checked the growth of a large rural population, and hindered the emergence of a broadly shared rural consciousness. British Columbia is a sea of mountains covering 250,000,000 acres, approximately 5% of which is arable.¹ Robin Martin

The story of how the Okanagan emerged as a fruit-growing district during the first decades of the twentieth century is one that, at first, seems implausible. Initially perceived as simply cattle territory, over a twenty-two year span between 1892 and 1914 the Valley would be re-made into an intensive agricultural area, quickly dwarfing the combined output of the Saanich Peninsula and Lower Fraser Valley in tree-fruit production. The rapidity of this conversion would seem to suggest that the land possessed some form of inherent natural advantage: that the Okanagan truly was destined to be the fruit-basket of Western Canada. This was a belief commonly propounded by local boosters in the hyperbole of their advertising material. Such an interpretation is misleading as it divorces events in the Okanagan from trends reshaping similar a reas a cross the W est C oast of N orth A merica at the c lose of the nineteenth century. After all, it had been similar endeavors in Washington State and Oregon that had provided the inspiration to import comparable models of agricultural production and settlement to British Columbia's Interior. The success of these tightly

¹ Martin Robin, The Rush for Spoils: The Company Province 1871-1933, Toronto: McLelland and Stewart Limited, 1972, p. 35.

delineated geographic regions in the Pacific Northwest and California in producing specialized fruit crops even served as the basis for a specific theory of land utilization.² Within this new order proscribed by land utilization theory, only those regions that could produce the most commercially attractive products, at the greatest cost efficiency were destined to succeed. What is interesting is that the advantages and disadvantages of geographic location should have forestalled a similar transition towards an intensive, small-scale orchard landscape in the Okanagan. Land utilization theory rested, after all, on an unshakable faith in the ability of commercial competition to properly order human uses of the landscape. In attempting to establish areas such as Vernon or Kelowna, growers would face systemic delays in production due to their northerly latitude, and aggressive competition from an established fruitgrowing district in Ontario seeking to service the new Prairie market. That fruit trees ever came to be planted in the Okanagan remains a testament to the efforts of local boosters, and their success in detaching the marketing of the orchard landscape from the dictates of the natural environment. Unfortunately, in so doing, boosters resorted to promoting an idealized caricature of the Valley; one that appealed to sentiment and resulted in a proliferation of uneconomical orchard units. It has been the

² Land utilization theory sought to address changes that had occurred to the rural landscape during the late nineteenth century. The advent of the industrial age, and the new technologies that came with it had begun to radically alter the relationship between farmers and their land in ways that were not fully understood. Innovations such as the transcontinental railway and telegraph were aiding in the transition of agricultural modes of production from mixed farming to more specialized, single-crop practices. Regions that had once been geographically isolated were coming to realize that they were now engaged in direct competition for dominance in a specific crop. This theory also held that only the region that could produce the most commercially attractive product, at the greatest cost efficiency, was destined to succeed within the new continental marketplace. The reduction of distance as a factor in marketing agricultural products allowed the productivity of apple growers in New York to be measured against the efficiency of growers in Washington State. In this American context, regional specialization, which included the growing dominance of the single-crop, was perceived as a progressive step in the evolution of agricultural and Forest production in the United States," *Annals of the Association of American Geographers*, Volume XI, 1921, pp. 39-46. See also, Steven Stoll, *The Fruits of Natural Advantage: Making the Industrial Countryside in California*, Berkeley: University of California Press, 1998, pp. 16-31.

subsequent attempt to bring stability to these orchards that has defined the history of the fruit industry over the past century.

The significance of the Okanagan's local topography cannot be overstated, for it assumes a far greater role than that of a passively shifting foundation, responding adversely to the environmental degradation of "artificial nature."³ The landscape has always played an active role in limiting the structures and patterns of the human communities that have entered the Okanagan. In illustrating this point, it is important to understand how different the Valley is from its surroundings. The Okanagan's geographic neighbours are the Cascade Mountain Range to the southwest and the Monashee Mountains in the east. These ranges contain an upland rim that generally runs anywhere from 4,000 to 5,000 feet above sea level, with summits that range in the 7,000 to 8,000 foot level.⁴ By comparison, the Valley bottom rises from a low of only 1,000 feet above sea level in Osoyoos, to just over 1,200 feet at the Okanagan-Shuswap divide near Armstrong in the north.⁵ Even the Similkameen V alley, which joins the Okanagan in the southwest, is only 1,700 to 2,200 feet above sea level.⁶ The practical effect of this differentiation in elevation is the creation within the Valley of a unique climactic phenomenon known as the rainshadow: bringing hot, dry weather in the summer, and wet, mild conditions in the

³ For a more in-depth discussion of these concepts it may be useful to read the writings of William Cronon. Cronon's use of the terms *first nature* - "original, pre-human nature" - and *second nature* - "the artificial nature that people erect atop first nature" are employed in his book *Nature's Metropolis* to help readers understand the dynamics that made the city of Chicago the greatest agent of ecological change in the nineteenth century American West. His narrative focuses upon human agency in detailing the re-ordering of "nature" into commodity groups, while the possibility of the reciprocal influence of landscape upon human activity only tends to be attributed to degraded natural environments. William Cronon, *Nature's Metropolis: Chicago and the Great West*, New York: W.W. Norton, 1991.

⁴ British Columbia, Land Service, Department of Lands, Forests, and Water Resources, *The Okanagan Bulletin Area – Bulletin Area No. 2 (revised)*, Victoria: Queen's Printer, 1974, p. 14.

⁵ Ibid., p. 12.

winter.⁷ So great, in fact, is the contrast in weather patterns between the peaks and valley bottoms that locals have been known to colourfully refer to the rain-shadow as a "marauder."⁸ Under these conditions, the naturally occurring vegetation of the Okanagan, running almost the whole length of the Valley from Osoyoos to Oyama, is dominated by a ground cover of perennial grasses.⁹ In this environment, stands of trees generally tend to be more abundant at the higher elevations: indicating the extent to which fruit (or any) trees would be ill suited to the Valley bottom.¹⁰ The natural north-south orientation of the Valley also facilitated the movement of cold polar air masses down into the Interior.¹¹ The impact of the resulting frosts increased with every extension of the orchard landscape over the years.

Life in the Okanagan prior to European contact was very much one of accommodation to site, where modes of production, while always insecure, required few changes to the environment. Reflecting this insecurity, community life in the Valley was multi-faceted in comparison with the single-staple resource economies of Coastal fishing tribes.¹² The harvesting of naturally occurring foodstuffs was a seasonal activity that usually required collective action. Initial European settlement in the Okanagan around the 1 840s differed little from these subsistence modes of production practiced by natives. It would take the expansion of the American mining frontier into the Pacific Northwest in the late 1850s and early 1860s before the potential of the Valley would be transformed as ranchers came seeking profit from

¹ Steven Stoll, The Fruits of Natural Advantage: Making the Industrial Countryside in California, Berkeley: University of California Press, 1998, p. 3.

⁸ George W. Johnson, "Why the Okanagan is a Dry Belt," Okanagan Historical Society, 7th Report, 1937, p. 26.
⁹ Ibid., p. 20.

¹⁰ Ibid., p. 22.

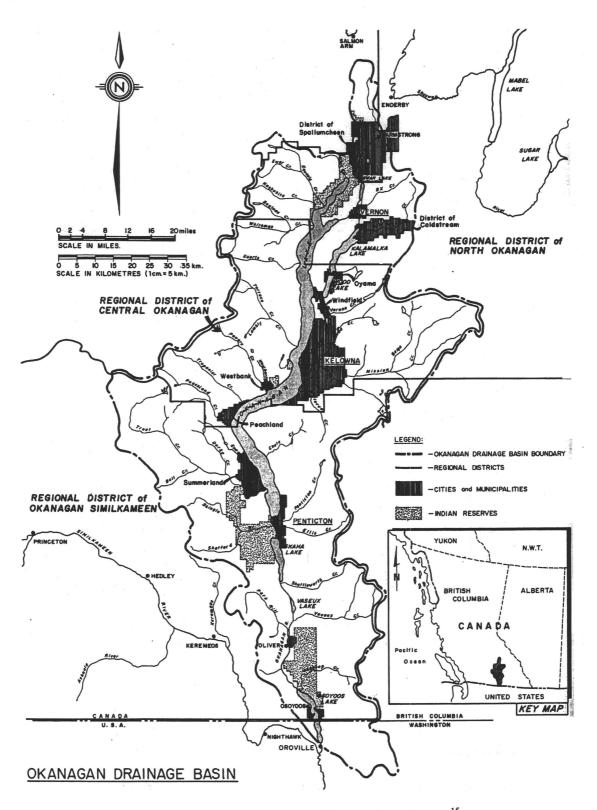
¹¹ Jeannette C. Boyer, *Human Response to Frost Hazards in the Orchard Industry, Okanagan Valley, British Columbia*, Waterloo: Department of Geography, University of Waterloo, 1977, p. 35.

¹² Duane Thompson, "The Response of Okanagan Indians to European Settlement," *BC Studies*, No. 101, Spring 1994, pp. 97-98.

the bunchgrass.¹³ Ranching took root because it was a relatively simple enterprise: no large expenditures were required to establish oneself, returns could be realized in a short period, and the large tracts of land needed for success could be had cheaply in the Okanagan. Yet, with all these seemingly natural advantages, the ranchers' footprint extended far beyond the surveyed boundaries of the ranch. Survival depended upon maximum use of the land base, due to the delicate nature of the bunchgrass, the needs of the cattle, and the aridity of the climate. Estates were to be left unfenced, and cattle were allowed to roam far and wide in search of sustenance. Accordingly, an expansion of the herds that accompanied the arrival of a transcontinental railroad in the 1870s was done without an industrial re-ordering of the landscape. Deteriorating bunchgrass resources and geographic isolation ensured that r anchers' use of the landscape r emained one of accommodation; employing a coping strategy that shunned pure breeds in favour of "scrubs."¹⁴ The logic behind the decision is clear: instead of attempting to impose an industrial model of ranching it was deemed more feasible to simply experiment with different breeds of animal. While doing little to alleviate the pressure on bunchgrasses, real numbers did not diminish significantly, signaling that the strategy was generally compatible with environmental limitations.

¹³ Ibid.

¹⁴ Scrub is an apparent slang used to refer to generic stock. This type of cattle was preferred for the simple reason that it was more likely to withstand the rigors of winter and still come in fat the following fall. Margaret Ormsby, "A Study of the Okanagan Valley of British Columbia," Unpublished MA Thesis, University of British Columbia, April 1931, p. 55.





¹⁵ Canada, Okanagan Basin Implementation Board, *Report on the Okanagan Implementation Agreement*, Penticton: Ministry of Environment, 1982, p. (XV).

A 1958 Royal Commission on the Tree-Fruit Industry was to raise a very important point in discussions regarding the scope of its mandate, and the nature of the inquiry it would conduct. Commissioner Dean MacPhee asked those who would be involved to p onder whether the c ausal factors in the rise of the O kanagan h ad been natural and intrinsic, or artificial and of an uncertain duration.¹⁶ The implication was clear: MacPhee wanted to determine if the development of a large-scale, intensive fruit-growing district had been an ideal utilization of the land base. He recognized that some of the systemic problems that had begun to plague the industry in the 1950s could be traced directly back to the natural limitations of the landscape. When contrasted with the long history of accommodation practiced by native groups, and the more recent experiences of the ranchers, it becomes easy to see where the fruit industry's problems originated. Fruit growing was to be the bold attempt to supersede the limitations of the environment in a way that other uses of the land had never intended.

The establishment of an orchard community within the Valley was not going to be as easy as the transplanting of cattle had been a generation earlier. A fruit-tree took seven years, along with a substantial a mount of e ffort and c apital, to s imply come into bearing, which, alone, did not guarantee the producer long-term success and profitability. In the absence of an established track record, much of the effort that would go into creation of an orchard landscape would be devoted to the promotion of an ideal that would entice settlers. As success was determined by a

¹⁶ British Columbia, Ministry of Agriculture, Report of the Royal Commission on the Tree-Fruit Industry of British Columbia, Dean E.D. MacPhee (commissioner), Victoria: Queen's Printer, 1958, p. 14.

developer's return on investment, land-use decisions became detached from the realities of the natural environment, leaving many people on orchards that had been over-subdivided or erected on land unsuitable for tree fruits. Following the completion of a railroad into the Valley in 1892, what had been grazing pastures for cattle since Europeans had first settled the valley was transformed, via the boosters' promotional pitch, into a Garden of Eden: a place where one could pursue the idyllic life of the fruit grower.¹⁷ The imagery of the Garden of Eden concept effectively addressed all of the major concerns related to the redevelopment of the Okanagan as a fruit-producing region. The under-developed infrastructure inherited from the ranching industry was parlayed into a natural, rugged environment that played to the Victorian fascination with scenic beauty.¹⁸ Boosters also promoted the dry, warm climate as a beneficial tonic for an individual's health, while simultaneously downplaying the threat that the aridity posed to agriculture by hyping the unlimited moisture that new irrigation works would provide.¹⁹ As to the question of whether orcharding in the area was even feasible, boosters employed an disingenuous tactic. Using figures from other orcharding areas in the Pacific Northwest, they extrapolated hypothetical volumes, returns and profits on investment that could be made on par in the Okanagan.²⁰ The inevitable questions of market share or competition from these regions was rarely touched upon, and if there ever was a mention, it was only the reassurance that future m arkets would be solid and expanding. A final lure to the concept of the Garden of Eden, and perhaps the most important in terms of future

¹⁷ Paul Koroscil, "Gentleman Farmer in British Columbia's British Garden of Eden," *British Columbia: Geographical Essays in Honour of A. MacPherson*, Burnaby: Department of Geography, Simon Fraser University, 1991, p. 91.

¹⁸ Myrna Cobb and Dennis Duffy, "A picture of prosperity: The British Columbia Interior in Promotional Photography, 1890-1914," BC Studies, No. 52, Winter 1981-82, p. 142.

¹⁹ Koroscil, p. 91.

²⁰ Vernon News, "Land Values in the Okanagan; Why Fruit Farms in British Columbia are a Paying Investment," Vernon, n.d., p. 2.

developments within the fruit industry, was that it offered those buying into it a particular lifestyle.²¹ The orchardist was commonly held to be Nature's Gentleman, and the opportunity to tend fruit and pursue a leisurely existence of sporting and social activities was a fundamental part of most people's decision to move to the valley. Viewed from this perspective, the rooting of a tree-fruit industry in the Okanagan occurred because of a constructed ideal, and not a practical adaptation of the land base.

The early involvement in Okanagan real estate by some of the business and political elites of Canadian and British society further de-coupled the development of the orchard landscape from the constraints of the local environment. In the case of Lord Aberdeen,²² his participation instantly validated a belief held by many local promoters that the whole valley could be developed as a fruit-growing region. The apparent fact that a wealthy and experienced individual who could command the best advice available would plant two hundred acres to fruit trees spurred speculators to ready their own holdings for prospective investors.²³ The involvement of Aberdeen and his ilk would prove, however, to be an anomaly in the overall history of development in the Valley. His holdings of four hundred eighty acres in Kelowna and thirteen thousand acres in Vernon still resembled the ranches of the cattle era, not the family farm of the orchard landscape. The Aberdeen model, if it can be called that, generally consisted of a mixed agricultural enterprise in which the hundreds of acres planted to fruit was only one component. Developers quickly discarded this model, preferring to divide their land into plots one fifth the size of Aberdeen's

²³ MacPhee, p. 22.

²¹ Koroscil refers to this as "Pleasure," an opportunity for leisure and social activities, p. 91.

²² Aberdeen was a distinguished member of the British upper class, and soon to be Governor General of Canada.

orchards, and designing these new units to stand alone as highly specialized producers. Many of the ranches in the north end of the Valley were to succumb to these land-use dynamics: the B.X. Ranch in Vernon was but one property subdivided into orchard lots running in size up to forty acres.²⁴ The pressure to maximize returns from rural orchard land and not a growing urban hub is what marked the development of the Okanagan as different from other agricultural communities in the Canadian West.²⁵ If a developer believed that greater fragmentation on a particular parcel of land offering an above-average vista, or located close to a town could command a higher price, the agricultural viability of that parcel would become a secondary concern. One of the greatest proponents of this point of view was Governor General Earl Grey, an individual who strongly believed in the social merits of a life growing fruit. Speaking before the Royal Agricultural Society he declared:

Fruit-growing in your Province has acquired the distinction of being a beautiful art, as well as a most profitable industry. After a maximum of five years I understand the settler may look forward with reasonable certainty to a net income of from \$100 to \$150 per acre, after all expenses of cultivation have been paid.²⁶

This was a point of view that legitimated the creation of a significant number of plots in the one- to five-acre ranges. Unfortunately, what was unknown to many settlers was that the natural landscape they were moving into would not support these

²⁴ Hayward, p. 8.

²⁵ One of the best studies that can be used to differentiate the varying objectives of Okanagan boosters from those operating on the Prairies is presented in Paul Voisey's study of Vulcan, Alberta. Using a local history to illustrate broader trends, Voisey shows how boosterism centered upon the urban aspirations of the local population. By promoting resource extraction, transportation links or industrial developments, the owners of rural property in the Vulcan area hoped to transform their holdings into a town, and ultimately a regional hub. Such a process was not reproducible in British Columbia as geography already precluded any urban center in the Okanagan from challenging the regional dominance of Kamloops. Speculative profit in the Okanagan, therefore, had to be derived from a rural land base that was not as extensive as on the Prairies, nor as inexpensive. For more, see Paul Voisey, *Vulcan: The Making of a Prairie Community*, Toronto: University of Toronto Press, 1988.

²⁶ Earl Grey, quoted in British Columbia, Bureau of Provincial Information, Land and Agriculture in British Columbia, Victoria: King's Printer, 1912, p. 28.

claims. As one grower would later declare in 1914, highlighting the suitability of planting the Valley to tree-fruits:

With regard to the subdivision and spoilation of the farms, I would suggest that one who is any way responsible for it be sentenced to five years on five acres without any means of support.²⁷

In the search for profitability from the land, both growers and the provincial government would be forced to come to terms with the unregulated expansion that speculators had been allowed to conduct. Nevertheless, by 1914 the entire pattern of land-use in the north end of the Valley had essentially been changed, and the groundwork for a similar transition to fruit growing in the south end had been laid.²⁸

With the declaration of war across the British Empire in 1914, the end came to the land boom that had done so much to change the face of the North Okanagan. Immigration from Britain and elsewhere in Canada slowed, precipitating the collapse of some of the original fruit-growing communities, such as Whalachin. Conversely, within only a few years of Canada's entry into the Great War, the dynamics of mass mobilization, which had initially bled the countryside of young men, would spur the final extension of the orchard landscape to the international boundary. The area south of Penticton had continued to be served by a transportation system held over from the great ranch era well into the new century; a system that effectively retarded the spread of the land-use dynamics that had reshaped the north. The requirements of the Great War focused government attention on the potential of the Osoyoos Territory for soldier resettlement. Governments at all levels had begun to recognize as early as 1916 the need to establish returning soldiers peaceably into society, and the

²⁸ MacPhee, p. 22.

²⁷ Anonymous, quoted in British Columbia, Department of Agriculture. *Full Report of the Royal Commission on Agriculture*. W.H., Hayward (commissioner), et al. Victoria: King's Printer, 1914, p. 10

Okanagan, with its burgeoning orchard industry, seemed ideally suited. Unlike the experience of the north, units would be surveyed with viability as a productive unit the foremost concern and soldiers would receive preferential treatment on loans and financing to ensure success. What had not been foreseen was that such a rapid increase in the number of new orchard units threatened to destabilize those erected by the private land companies to the north.

The establishment of ever more fruit growers was based on the political needs of a provincial government that believed the best means to settle and build British Columbia was through agricultural communities. Little consideration was to be given over whether the natural environment could sustain an expanded orchard landscape, and even less thought was devoted to the impact that this development would have on the operations of existing, and generally indebted fruit growers. Official government policy was following the same models employed by the private land development companies. Through use of creative taxation, twenty-two thousand acres were procured that would form the basis of the South Okanagan Lands Project.²⁹ Throughout the 1920s the Lands Project would make available thirteen thousand acres of orchard land, which were to be parceled out, on very liberal terms, for sale in sizes of five, ten, and twenty acres.³⁰ This government subsidization of the southern growers eventually resulted in the establishment of approximately seven

²⁹ The decision to re-introduce returned soldiers back into society was accompanied by a *Land Settlement and Development Act* in 1917 that allowed the provincial government to pressure speculators who had purchased large tracts of land without any intention to work them. A five per cent surtax was to be leveled after 1918 on all unimproved land found within a designated settlement area if it was not brought up to Board standards. If a land owner felt compliance could not be assured, there was always the option to sell out to the government at the appraised price. For more information, see Paul Koroscil, "Soldiers, Settlement and Development in British Columbia, 1915-1930," *BC Studies*, No. 54, Summer 1982, pp. 63-87.

Settlement and Development in British Columbia, 1915-1930," *BC Studies*, No. 54, Summer 1982, pp. 63-87. ³⁰ British Columbia, Department of Lands, *Government Irrigation Project: Fruit Growing Opportunities for the Man with Small Capital*, Hon. T.D. Patullo, Minister of Lands, Victoria: King's Printer, n.d., p. 3.

hundred orchard units, with an average size of ten acres.³¹ Due to the growing specialization of orchards since the Aberdeen interlude thirty years earlier, the introduction of so many new growers in such a relatively short span severely tested the industry structures that had been implemented by the northern growers to deal with their own problems of viability. Even before the Lands Project, local markets in the Interior had long since been tapped, and new ones in Vancouver and the Prairies had to be sought to absorb the ever-increasing crop volumes. The other disadvantages of place, apart from the natural environment, were becoming increasingly obvious to Okanagan growers: the dislocation from major markets had not been bridged by the construction of a railroad. Instead of doing for the valley what the railway had done for California, it had created its own set of challenges by aiding in the emigration of ever more people, disrupting the balance of the north, and encouraging the proliferation of the orchard landscape in the south.

The turbulent events that were to mark the end of the 1920s were a stark monument to the unsoundness of the foundation upon which the new orchard community had been erected. Both phases of settlement had been c onducted with little regard for the natural landscape, as marginal land, small orchard units and vagaries of the local weather would all play havoc with grower attempts to make a living. What followed would be a long-term series of accommodations as growers struggled to find structures compatible with the environmental and market conditions they faced.

³¹ S.D. Medland, "Economic Aspects of the Southern Okanagan Lands Project," *Transactions of the Seventh British Columbia Natural Resources Conference*, Victoria: Queen's Printer, 1954, p. 78.

An Institution of the Interior The Evolving Role of the BCFGA 1899-1939

The farmer is the only part of modern industry (besides art) in which you have individual production ... But marketing is not individual at all. It is a group problem. You cannot market without a distinct consideration of what all the other producers are doing at the same time ... Marketing can be done sanely only on a collective basis and through organized effort.¹ Aaron Sapiro

1922

Long before the first orchard had been planted in the interior, growers subscribed to the notion that individual rights were paramount to the health of the industry. This was a prescription that had been born of the coastal environment within which the majority of growers operated. The increasing specialization of the Okanagan as a tree-fruit district, however, challenged this notion as many orchards were being created within areas of marginal capacity far removed from any major market. In this new environment, individualism a llowed i nequalities in m arketing, created wholly by chance, to be exploited to the detriment of the entire industry. There was nothing to prevent a grower or shipper who was determined to sell quickly to the markets from undermining the prices for everyone. The untenable nature of continued independent marketing practices lay in the under-capitalization of numerous individuals attempting to operate an orchard. Unlike growers on the coast, many had invested a small fortune to establish themselves, and were poorly positioned to weather any volatility in returns. Some attempted to stabilize prices and

¹ Aaron Sapiro, "True Farmer Co-operation: The California Plan of Cooperative Marketing. How it differs from the Rochdale Plan. 'Locality' vs. 'Commodity.' Organization and Financing," reprinted in *Journal of Agricultural Cooperation*, 1993, p. 83.

improve the viability of the orchard unit through co-operatively based marketing organizations, but all these schemes were to fail due to one underlying weakness. The high costs associated with collective marketing created an incentive for a small minority to stay outside of any scheme. This perpetuated a cycle of competition in which growers raced to dispose of their highly perishable crop in as short a period as possible. As individual action in marketing increasingly came to be recognized as the root of the economic turmoil, talk of compulsory co-operation began to be voiced. The most prominent actor in this debate would prove to be the provincial government. Its direct involvement in the extension of the orchard landscape south of Penticton increased the stakes for all regions of the province in seeing the Okanagan succeed as a fruit district. By underwriting the South Okanagan Lands Project, a large amount of public money was committed to irrigation projects as an exercise in province-building. The inability of growers to implement a marketing scheme capable of stabilizing this expanded, and often-fragmented, orchard landscape by 1927 jeopardized the entire initiative. In the quest for stability, the BCFGA would be transformed both by growers and provincial legislation into a highly centralized, cooperative marketing organization, and an important component of public policy in the region.

The emergence of the Okanagan as the focal point of fruit production in the province proved to be a very tumultuous affair. Tensions between the systems favoured by interior and coastal growers were exposed, resulting in the collapse of four separate marketing agencies, a precipitous decline in support for the BCFGA,

and an eventual schism based on regional fault lines.² An important contributory cause in this process was the relatively benign nature of the Fraser Valley's climate and landscape, which had shaped the early structures of the fruit industry. Average annual precipitation rates of fifty to seventy inches negated irrigation costs that other fruit districts incurred, while geography provided an ease of access to a major market not reproducible elsewhere in the province.³ That the urban market of Vancouver could absorb most production allowed growers to pursue the marketing of their crops in a highly decentralized system dominated by producer unions and local associations. The relatively laissez-faire attitude towards marketing issues that this engendered coloured the two attempts at co-operative marketing launched by the BCFGA prior to 1910. Selling agencies were intended to stand alone, completely separate from constituent organizations, competing with independent growershippers and even other co-operatives. In the event of a market glut, however, the reality remained that competition to dispose of the crop inevitably caused prices to crash, and diminished returns. It seemed apparent that as long as the majority of growers operated in a natural environment that did not impose undue hardships upon production, collective marketing initiatives would be ineffectual, and largely unnecessary.

² In 1904, the President of the BCFGA had felt compelled to address the perception that the association remained beholden to the interests of coastal growers. Despite his reassurances to the contrary, Okanagan growers established their own selling agency independent of the association in 1908. By 1913, BCFGA membership totaled only 600: a troublesome figure in light of the thousands of individuals who had bought orchard land during the land-boom years. By the early 1920s, these antagonisms had been reversed; the BCFGA was slowly emerging as an institution representative of interior growers. An official break with coastal growers would come years later, in 1934, when Vancouver-area berry producers broke with tree-fruit growers and formed their own association. For more information see: Bruce Ramsey, "British Columbia Fruit Growers' Association," *Okanagan Historical Society*, 28th Report, 1964, pp. 141-191. See also, David Dendy and Kathleen Kyle, *A Fruitful Century: The British Columbia Fruit Growers' Association, 1889-1989*, Joan McIntyre (editor), Kelowna: BCFGA, 1990.

³ British Columbia, Legislative Assembly, Official Bulletin 10, *Agriculture in British Columbia*, Victoria: King's Printer, 1912, p. 39.

These coastal assumptions about production and marketing, epitomized by the early BCFGA, proved wholly incongruent with the daily experiences of growers in Kelowna or Vernon. Three major freezes between 1897 and 1907, and a growing realization that the soil under many orchards might not be suitable for agriculture, made Okanagan orchardists question what was needed to make a decent living.⁴ The BCFGA's creeping marginalization in the interior can be traced to its support for an ethos of individualism that exacerbated the reliance on shoddy irrigation systems, or the logistics of transporting fruit out of a mountain valley to markets hundreds or thousands of kilometers away. What was required was a more co-ordinated and disciplined form of market co-operation. Centralization offered advantages in handling, packaging, selling and stability necessary in the nurturing of the orchard landscape. For fifteen years, interior growers attempted to sustain two models of grower-shipper co-operatives built around a loose form of central selling and distribution.⁵ They were ultimately to fail through their inability to neutralize private shippers and packers operating in the local market. By catering to individuals who had forsaken the collective marketing ventures, and by servicing the higher-quality orchards, these independents were able to obtain a significant share of the crop, continuing the cycle of lowering returns by disposing of fruit in an unco-ordinated manner.⁶

⁴ Jeannette C. Boyer, *Human Response to Frost Hazards in the Orchard Industry, Okanagan Valley, British Columbia*, Waterloo: Department of Geography, University of Waterloo, 1977, p. 36.

⁵ These two experiments were the Okanagan Fruit Union, founded in 1908 and operated until 1912, and the Okanagan United Growers between 1913 and 1922-23. By the 1920s the OUG's control of the local market had steadily deteriorated, reaching a climax in 1922-23 as it too had failed to control the local market. With the last plantings of the land-boom era reaching full maturity, total apple tree numbers peaked at an all time high of 2,219,716 in 1921. The increased volume from trees planted a decade earlier overwhelmed the existing marketing structures and channels, further depressing prices and pushing the OUG into insolvency. MacPhee, pp. 27-28.

⁶ Ian MacPherson, "Creating Stability Amid Degrees of Marginality: Divisions in the Struggle for Orderly Marketing in British Columbia 1900-1940," *Canadian Papers in Rural History*, Volume 7, Gananoque: Langdale Press, 1990, p. 319.

Despite the inroads that collective marketing had achieved by 1923 – the Okanagan's share of the Prairie market increased from thirty-nine percent in 1913 to eighty-two percent – grower loyalty to these ventures was proving to be a cyclical phenomenon, easier in times of adversity, and more difficult in periods of prosperity.⁷ As the overall number of growers in the valley continued to increase through the 1920s, the actions of those who opted to sell independently, outside of a co-operative, held implications for the livelihood of many people.⁸ The crux of the problem was brought home by a San Francisco lawyer, Aaron Sapiro, who had an extensive background in the trials of California fruit growers, Kentucky tobacco farmers, Prairie grain farmers, and others in their quests for some form of orderly marketing. He traveled through the valley in early 1923 (months before his famous visit to the Prairies in August), on a tour designed to bring a broader awareness to Okanagan growers on their ability to influence their terms of trade through cooperative organization. The "California model" that Sapiro advocated could not have been more ideally suited to this task as it legitimized and facilitated the centralizing trends that had been occurring since 1913. In particular, he encouraged a strong, topdown co-operative structure, built around professional management, long-term contracts and direct membership organized upon commodity lines.⁹ In his speeches, Sapiro upbraided the growers on their recent track record in marketing. He believed

⁷ *Ibid.*, p. 322.

⁸ In the span of four years, the average annual production of apples went from 1,316,773 boxes in 1920, to 2,769,180 boxes in 1921, 2,849,453 boxes in 1922 and 3,054,031 boxes in 1923 as a result of the maturation of over 1,465,662 trees that had been under ten years of age during the 1911 tree census. As production decreased between 1924-25, so did the commitment of growers to support a co-operative marketing venture such as the Associated Growers. When production surpassed 3,500,000 boxes in 1927, growers once again sought some form of collective action, eventually giving rise to the Committee of Direction. MacPhee, pp. 214-226.

⁹ Randall E. Torgerson, Bruce Reynolds, Thomas Gray, "Evolution of Co-operative Thought, Theory and Purpose," presented as part of the conference "Cooperatives: Their Importance in the Future of the Food and Agricultural System," Food and Agricultural Marketing Consortium, Las Vegas, NV, January 16-17, 1997, University of Wisconsin Center for Co-operatives. http://www.wisc.edu/uwcc/info/torg.html (July 31, 2000).

that they "were themselves to blame for disastrous prices ... they themselves broke the market[, as] shipping apples blindly on consignment was the worst form of dumping possible."¹⁰ Sapiro explained how there had been a point when there were over forty co-operative organizations among California growers, and that the smart shippers had simply proceeded to sit back and watch them break each other.¹¹ He advocated extensive improvements and reforms in merchandizing, from quality control, standardization, improved packaging, to regulation of supply.¹² In California this had served the dual purpose of extending markets, while also creating a powerful brand name used to mitigate the loss of members and volume to independent shippers. As a guarantor of loyalty, Sapiro also advocated the use of an ironclad, five-year contract, "more s acred than m atrimony," that would b ind growers to the co-operative and be reinforced by a pledge to "never handle an ounce of stuff for a non-member."¹³ These were all steps that the industry tried to follow in the intervening years, but to little avail, as after initial success growers again began to abandon their organization in favour of independents.

The dilemma with Sapiro's model was that non-members were as likely to enjoy the benefits of a co-operative's efforts to regulate supply, without having to shoulder the accompanying costs. The temptation to leave for the deceptively higher returns offered by independents was ever-present and fatal to any co-operative venture. Many who had joined in 1923 had not been ideologically inclined to support

¹⁰ Aaron Sapiro, quoted in "Committee Recommends Sapiro Co-operative Plan," Vernon News, January 11, 1923, p. 2. ¹¹ Ibid.

 ¹² David Dendy and Kathleen M. Kyle, A Fruitful Century: The British Columbia Fruit Growers' Association 1889-1989, Joan McIntyre (editor), Kelowna: British Columbia Fruit Growers Association, 1990, p. 49.
 ¹³ Garry Fairbairn, From Prairie Poster The Press Intel Columbia Fruit Growers Association, 1990, p. 49.

¹³ Garry Fairbairn, From Prairie Roots: The Remarkable Story of the Saskatchewan Wheat Pool, Saskatoon: Western Producer Prairie Books, 1984, p. 24.

a central selling agency, having only been lured in by the prospect of better returns.¹⁴ When the industry began to falter in the late 1920s, the provincial government was urged to step in by growers and provide the stability that they had not been able to achieve on their own. Grower sentiment on this issue was not far removed from that of other producers across the Canadian west at this time, or around the world. Some of the most important new ideas on marketing initiatives such as compulsory pooling were being advocated by farm groups in Australia, New Zealand, the United States and even Saskatchewan following the dissolution of the Wheat Board in 1920.¹⁵ Okanagan growers' request for a similar measure marked the commencement of a decade-long legal odyssey regarding the validity of compulsory marketing legislation, a journey that would see the BCFGA develop into an adjunct of public policy.

By 1927 the provincial government had come to the conclusion that the success of one of its major, post-war policy objectives had become dependent on the ability of fruit growers to find a durable model for marketing their produce. A decade earlier, John Oliver, the "Farmer Premier," had outlined to the province, and country, his vision of reincorporating discharged soldiers into society. A farmer himself, Oliver believed an agricultural way of life was the cornerstone to a healthy and prosperous society, and the foundation upon which to develop British Columbia.¹⁶ As a policy objective, soldier settlement was to be a two-pronged strategy – made more difficult by the province's rugged terrain. With farmland being at a premium,

¹⁴ Dendy and Kyle, p. 51.

¹⁵ MacPherson, p. 311, and Fairbairn, p. 13.

¹⁶ Paul Koroscil, "Soldiers, Settlement and Development in British Columbia, 1915-1930," BC Studies, No. 54, Summer 1982, p. 69.

the provincial government was forced into expensive reclamation projects in order to find the land-base necessary for the construction of its agricultural communities. One such area was the Osoyoos Territory south of Penticton, encompassing some of the driest, most desert-like sections of the province. The use of irrigation works would come to be essential to the success of any agricultural community established within the Lands Project. In developing a land-use plan for the south, the provincial government had recourse to twenty years of experimentation by private developers, and a catalogue of mistakes that had been perpetrated in erecting the early orchard landscape. Accordingly, the surveying of individual orchard plots within the Lands Project was to be conducted in a far more comprehensive and orderly manner. Acreages were to be self-sufficient and capable of supporting a family unit. The reliable delivery of water to orchards had also emerged as a serious issue in the 1920s as the wooden canals built by the land companies were proving to be of a substandard quality and in need of repair or replacement. In response, the Lands Project was to be equipped with a solid, concrete-lined ditch capable of carrying a high enough volume of water to meet the needs of all growers. Unfortunately, despite these concerted efforts to avoid past mistakes, the provincial government unwittingly adopted familiar assumptions about the ability to re-order the landscape without due regard to the physical restrictions of the natural environment.

Given the scale of the undertaking and the massive amounts of public capital that would be expended upon it, those overseeing the Lands Project lacked some very basic information regarding the suitability of local conditions to the proposed application. Irrigation systems and orchard subdivisions were plotted without the use of soil tests or an adequate knowledge of precipitation levels in the area.¹⁷ A Manager for the Lands Project at the time later explained how this unfamiliarity with the landscape resulted in stretches of canal being built upon a clay foundation.

> During the spring and summer this clay became saturated and, in one case, ninety feet of canal went out leaving a vertical wall which had to be bridged by a trestle. For some miles, where the clay became saturated and very low winter temperatures were encountered, the ground froze solidly. In so doing the clay expanded heaving panels, throwing up the bottom, and cracking the concrete, until, in places, it resembled a patchwork quilt.¹⁸

In other cases, the combination of orchard location and capacity of the irrigation network simply proved to be inadequate to allow the water requirements of growers to be met. The canals had been designed to carry 2.5 acre-feet for 120 days, an amount which was thought to be ample for irrigation needs, but ended up not being able to water the area for which it was designed because local soil conditions drained the moisture away from the trees.¹⁹ These conditions ultimately led to a stratification of growers as the spread in orchard values within the Lands Project reflected the varying degrees of soil, precipitation, and temperature ratings in any given location.²⁰ Those on more marginal plots were less able to better their position, and would be more prone to the vagaries of the market then their better-placed neighbours. Despite the best of intentions, government participation in the extension of the orchard landscape had only introduced more producers into a region that was already experiencing difficulties in disposing of the crop.

Another contributing factor encouraging the provincial government to step in and play a more active role in the marketing of Okanagan fruit was growing

¹⁷ British Columbia, Department of Lands and Forests, D.W. Hodson, "The South Okanagan Land Project," Transactions of the British Columbia Natural Resources Conference, Volume 7, 1954, p. 47. ¹⁸ *Ibid.*, p. 48. ¹⁹ *Ibid*.

questioning of the soundness of its investment in the valley. By 1927, the estimated cost of starting up the Lands Project had been determined to be three million dollars, while the government also found itself responsible for another \$2.3 million in loans to regional Water Districts.²¹ This later debt had resulted from a 1914 transition in water rights maintenance from a "company system" to public control.²² When Water Districts assumed control over irrigation works from the land companies, it became apparent that they lacked the funds necessary to carry out repairs. An amendment to the Water Act was passed in 1918 that created a special fund in the Treasury known as the "Conservation Fund" which could be used for upgrading these systems.²³ Unfortunately, the cost of rehabilitating the canals was to be seriously misjudged, and in 1923 the government was approached to defer repayments from the districts.²⁴ This process was repeated in the years 1924, 1925, 1926 and 1927, so that by the end of the 1927 fiscal year, the amount owed to the provincial government was \$2,205,792.13 on a fund of \$2,300,000.25 The Lands Project also aggravated the inability of northern growers to begin re-paying loans from the fund, since the government was offering, as a public debt of gratitude, subsidized rates on land and water to growers in the south.²⁶ The resulting increases in production south of Penticton made it increasingly difficult for both ends of the valley to dispose of the crop in an orderly and equitable manner. With the fruit industry supporting over

²³ *Ibid.*, p. 91.
²⁴ *Ibid.*, p. 94.

²⁰ British Columbia, Department of Land and Forests, S.L. Medland, "Economic Aspects of the South Okanagan Lands Project," *Transactions of the British Columbia Natural Resources Conference*, Volume 7, 1954, p. 52.

²¹ British Columbia, Department of Agriculture, *Report of the Royal Commission Investigating the Fruit Industry, Part (I), (II)*, Sanford Evans (commissioner), Victoria: King's Printer, 1931, p. 1.

²² "Companies sold a share in the distribution system with each parcel of land sold, payable in installments over a term of years ... the water-user was dependent for his supply of water on the successful operation of the company system over which they had no control, and no guarantee it would continue to operate year after year." Margaret Ormsby, "A Study of the Okanagan Valley of British Columbia," unpublished MA Thesis, University of British Columbia, 1931, pp. 87-88.

²⁵ Sanford Evans, pp. 57-58.

20,000 people,²⁷ and responsible for almost \$5.5 million in public debt, the government held a vested interest in ensuring that this constituency received the legislation necessary to implement a marketing system.

The Produce Marketing Act (1927) was to provide growers the stability and opportunity to begin contributing to the costs of their own production that they had been unable to achieve on their own. The Act had originally begun as a resolution at the 1927 BCFGA Convention, requesting the provincial government bring in legislation mandating compulsory co-operation.²⁸ Its implementation would mark a return to prominence in issues of marketing for the association, not known since the schism between coastal and interior growers. The Act's requirement that, for any producer group to petition for government oversight, a seventy-five percent threshold of support had to be achieved,²⁹ lent itself to the presence of central organization that could represent growers' interests. As the BCFGA was the only entity that could legitimately make this claim, it became the forum in which growers vetted the principles of the Act. By also limiting the applicability of its regulations to the Interior, the *Produce Marketing Act* signified a final step in the evolution of the BCFGA to an institution of the Okanagan. From 1927 onwards, the Association would primarily deal with the unique issues surrounding the marketing of Okanagan fruit.30

²⁶ *Ibid.*, p. 25.

²⁷ As estimated by the Royal Commission in 1927; see Sanford Evans, p. 6.

²⁸ Dendy and Kyle, p. 55.

²⁹ Donald Black, "F.M. Black and the Committee of Direction," Okanagan Historical Society, 31st Report, 1967, p. 102.

³⁰ In March of 1933 the BCFGA faced bankruptcy, and the remainder of the year was spent re-organizing the association. In the process, coastal growers, who by this point where predominantly producing berries and vegetables, split off and established their own British Columbia Coast Growers' Association. They no longer believed that their interests could be represented in an association dominated by tree-fruit growers. Dendy and Kyle, pp. 70-71.

The proceeding nine years of political turmoil, although covered extensively elsewhere,³¹ remain integral in understanding future events in the industry. The Produce Marketing Act was assailed from its inception by legal challenges questioning the authority it bestowed upon a Committee of Direction to levy indirect taxes upon growers.³² In 1931, the Supreme Court of Canada agreed that the province had overstepped its constitutional bounds and disallowed the Act. The vacuum in marketing structures that resulted saw the return on a bushel of apples fall from a five-year average of \$1.29 to 0.87 in 1931/32 and 0.68 in 1932/33.³³ To protest their deteriorating position, growers staged a strike in 1933 vowing to leave the apple crop on the trees unless they were guaranteed a minimum price of a cent per pound. Although not entirely successful, the strike effectively conveyed the plight of growers to the federal government which introduced a *Natural Products* Marketing Act in 1934 to replace the disallowed provincial legislation.³⁴ Okanagan fruit growers were to be the first producer group in Canada to avail themselves of the legislation, but would again be frustrated when the federal act was overturned by the courts two years later due its invasion of provincial powers of marketing within a province.³⁵ In anticipation of the outcome that befell the federal Act, British Columbia a mended its own Natural Products Marketing Act in 1936/37 to ensure

³¹ Most notably: David Dendy, "Cent a Pound or on the Ground: Okanagan Fruit Growers and Marketing, 1920-1935," Unpublished MA Thesis, University of British Columbia, 1981; Dendy and Kathleen Kyle, A Fruitful Century: The British Columbia Fruit Growers' Association 1889-1989, Joan McIntyre (editor), Kelowna: British Columbia Fruit Growers Association, 1990; Margaret Ormsby, "Fruit Marketing in the Okanagan Valley of British Columbia," Agricultural History, V. 9, No. 2, April 1935, The Agricultural History Society, Washington, pp. 80-97; Bruce Ramsey, "British Columbia Fruit Growers' Association," Okanagan Historical Society, Twenty-eighth Report, 1964, pp. 141-191; Donald Black, "F.M. Black and the Committee of Direction," Okanagan Historical Society, 31st Report, 1967, pp. 100-106.

³³ The return on a bushel of apples before 1931 was: \$1.23 in 1926/27, \$1.44 in 1927/28, \$1.23 in 1928/29, \$1.29 1929/30, and \$1.24 in 1930/31. Dominion Bureau of Statistics, quoted in MacPhee, p. 104.

³⁴ Dendy and Kyle, p. 76.

³⁵ Bruce Ramsey, "British Columbia Fruit Growers' Association," *Okanagan Historical Society*, Twenty-eighth Report, 1964, p. 178.

that it covered only the marketing of products within the province.³⁶ Acting on the results of a grower plebiscite, the British Columbia Fruit Board allowed BC Tree Fruits full control of domestic sales in 1939, while the restrictions of a wartime economy saw control further extended to international markets by 1941.³⁷ This paved the way for the creation of BC Tree Fruits as the cornerstone of the BCFGA's broad based policy "to do everything to protect and further the interests of the growers in all matters directly connected with the production and marketing of their produce."³⁸ Legislation finally ensured fairer treatment as the single-desk and orderly marketing checked unnecessary and cutthroat competition amongst local growers, and directed the flow of produce to markets in quantities that would avoid unnecessary gluts. The single-desk offered the possibility to growers of uniting their economic power within institutional and corporate structures, providing stability for the orchard unit, and offering the benefits of the modern agricultural corporation.³⁹ Out of necessity, the BCFGA had been transformed, through the introduction of central selling, into the tool needed to accommodate the orchard landscape to the particulars of the Okanagan's site and location. Centralizing the marketing process allowed growers finally to achieve stability in production and marketing, but it was to come at an expense. The single-desk and orderly marketing institutionalized social and economic networks within the BCFGA that could not be easily reversed.

- ³⁶ MacPhee, p. 35.
- ³⁷ Dendy and Kyle, p. 83.

³⁹ Ibid., p. 330.

³⁸ Arthur Garrish, quoted in MacPhee, p. 44.

Challenges to the Single-Desk Marketing <u>System</u>

This trend to smaller and smaller farms must be reversed if a healthy tree-fruit industry is to survive.¹

E.D. MacPhee Royal Commission on the Tree-Fruit Industry of British Columbia 1958

We are trying to get the whole group to go into larger holdings, otherwise they cannot succeed. When the farm keeps the farmer, that is as it should be; but when the farmer starts keeping the farm, that is a ridiculous situation.²

Newton P. Steacy, Minister of Agriculture, British Columbia 1050

For all the turmoil of the late 1920s and 1930s, the restrictions of the war and the post-war economy had done much to fulfill the promise of the single desk marketing system. The 1940s proved to be the golden era of the fruit industry as an absence of competition created a false economy for all fruit in Canada. As one grower later recalled: rarely in the history of farming had there been such a combination of circumstances, all favouring an organization and its structure.³ The return of a box of apples increased by 114 percent in the period 1939 to 1945, even though annual apple production for the decade was roughly 40 percent higher than it had been throughout the 1930s.⁴ Central selling and orderly marketing appeared to

British Columbia, Department of Agriculture, Report of the Royal Commission on the Tree-Fruit Industry of British Columbia, Dean E.D. MacPhee (commissioner), Victoria: Queen's Printer, 1958, p. 778. ² Newton Steacy, quoted in Canada, The Senate of Canada, Proceeding of the Special Committee of the Senate on Land Use in

Canada, Arthur Pearson and Henri Bois (chairmen), Ottawa: Queen's Printer, May 27, 1959, p. 372.

Arthur Garrish, quoted in David Dendy and Kathleen Kyle, A Fruitful Century: The British Columbia Fruit Growers' Association 1889-1989, Joan McIntyre (editor), Kelowna: BCFGA, 1989, p. 83.

⁴ The return on a box of apples in 1939 was \$0.83, while in 1945 it was \$1.78. For more information, see MacPhee, pp. 104, 225. Dendy, p. 85.

have allowed growers to master the limitations of the natural environment, providing economic stability while accommodating the fragmented nature of the orchard landscape. The optimism of these years was so great that a renaissance in land prices occurred, fuelled by an influx of German immigration and retiring farmers from the Prairies. Given this new era of high returns, a sizeable number of established growers were lulled into the belief that they could subdivide their property and profit from the new demand for land, while still retaining a decent income from their remaining orchard land.⁵ Taken together, these individual decisions came to comprise an ominous trend, as almost two decades of unregulated subdivision subtly altered the face of the orchard landscape.

In 1930, a combines investigation made the rather mundane point that holdings in the north Okanagan generally tended to be larger acreages than those orchards to the south. By 1958, another Commission appointed to investigate the tree-fruit industry felt compelled to comment on this point and the popular assumptions that had arisen around it.

The Commissioner had understood prior to his examination of these records that orchards in the north generally tended to be larger than farms in the south, and this is a common tradition in the Okanagan. Excluding Kelowna, the statement does not appear to be true.⁶

Although it would take years for the drama to unfold, growers were unwittingly pushing their industry toward a great reckoning as the 1950s proved to be a period of considerable upheaval and environmental distress. Smaller holdings proved to be slight security in a deteriorating economic climate for agricultural producers. Growers who had bought during the peak of the post-war real estate market, or had

⁵ Ralph Krueger, "The Geography of the Orchard Industry of Canada," *Geographical Bulletin*, Volume 7, No. 1, 1965, p. 61. See also, MacPhee, p. 777.

subdivided to accommodate the demand, now faced the prospect of having to abandon orcharding as a profession. As the physical boundaries of the orchard landscape began to erode towards the end of the decade due to the increasingly fragmented nature of orchard units, BCFGA policies remained conspicuously silent on the subject. The Natural Products Marketing Act had invested the single-desk with the responsibility of ensuring the viability of the small, family-owned orchard, but in so doing, the legislation had institutionalized a marketing system within the BCFGA. For the Association to have actively entered the debate on what constituted an "economical unit" would have been to throw open to debate the whole composition of the BCFGA and its continued role in growers' affairs. The province had, after all, entrusted the Association with broad powers to regulate the sale of Okanagan fruit with the understanding that such a measure would bring stability to the individual orchard unit. The BCFGA could not, therefore, be seen advocating a rationalization of orchard sizes when over half of its membership might be adversely affected economically by such a process.⁷ As a result, the Association, through its silence, condoned the continued sale and subdivision of orchard land as a necessary trade-off needed to sustain the single-desk.

If the fruit industry ever experienced a watershed year, 1949 was to be it. Growers were presented with a series of challenges in production and marketing that

⁶ MacPhee, p. 79.

⁷ As an independent agent, Commissioner MacPhee was free to follow his finding that over fifty percent of growers operated such orchards with the caveat that: "If I am charged with destroying the property values of growers, then the charge will stand on the record of the last seven or eight years" (p. 779). MacPhee further pointed out that "there is no warrant for believing that orchard land in British Columbia, at \$2,000 to \$2,500 per acre, is an economic proposition" (p. 778). The BCFGA, however, was a part of the process that had seen growers subdivide their holdings throughout the 1940s when war time restrictions and an immigration boom had fueled an artificial rise in orchard values. It could not destroy property values, no matter how beneficial consolidation would be to the long-term health of the industry, without damaging its own position in the process.

had not been seen since the "cent-a-pound" strike of the early 1930s.⁸ When the federal government removed restrictions on imports that year, it occurred as currency restrictions prevented sales to offshore markets, as freight rates to Eastern Canada nearly doubled, and as production increased by more than a million boxes over 1948.⁹ This left BC Tree Fruits with a surplus of over a million and a half boxes of apples, which eventually required shipment to the United Kingdom, free of charge, to avoid depressing the local market.¹⁰ Unfortunately, despite these efforts, domestic prices were down considerably as some growers saw their returns reduced by as much as fifty percent. These lower returns were due, in part, to increased tree-fruit production in Washington State. Reclamation projects south of the border, similar in intent to British Columbia's soldier-settlement schemes, had made over a million acres available for irrigation in the Columbia Basin project. The Grand Coulee Dam, a federally financed and constructed hydro-project, provided the cheap electricity needed to pump the water from the dam's reservoir to the arid lands of the Columbia Basin.¹¹ With an earlier harvesting season and subsidized operating costs, Washington growers could bring fresh fruit to market three weeks sooner and at lower costs than Okanagan growers. The removal of Canadian import restrictions in 1949 opened markets that had been the exclusive domain of BC Tree Fruits during the war years to competition from Washington apples.

A subtler influence was the completion of the Hope-Princeton highway in 1949. The construction of this single route through the Cascade mountain range

⁸ For information on this period in the history of the fruit industry, see David Dendy, "Cent a Pound or on the Ground: Okanagan Fruit Growers and Marketing, 1920-1935," Unpublished MA Thesis, University of British Columbia, 1981.
⁹ Dendy and Kyle, p. 96.

¹⁰ *Ibid*.

¹¹ Steacy, quoted in the Proceeding of the Special Committee of the Senate on Land Use in Canada, p. 398.

introduced a broad, new range of dynamics to the production and marketing of Okanagan fruit in the 1950s. Prior to the Hope-Princeton, access had been confined to a single, major artery that ran north-south to Kamloops, through the upper Fraser Valley and down into Vancouver. In the darkest days of the growers' strike this simple transportation network had allowed the vigilante Okanagan Stabilization Board to monitor the CPR line easily for any movement of "unauthorized" fruit out of the valley.¹² It later aided the enforcement of the single-desk as the movement of small lots of fruit to the coast was prohibitively expensive, and inspectors employed by the Fruit Board could easily locate larger shipments. The Hope-Princeton highway altered this by creating a direct link from the core region of fruit production, the Oliver-Osoyoos area, with the urban center of Vancouver. Instead of looking at the broader implications of the Hope-Princeton upon the Okanagan, and how the fruit industry might fit into the new order, the Fruit Board attempted to clamp down with increased regulation over the sale of apples and other soft fruits. With growers' conventions dominated by discussions surrounding the highway's reordering of established marketing patterns, the industry leadership had failed to realize that the Hope-Princeton was facilitating a change in land-use patterns. The highway was abetting an urbanizing trend as the very attributes of the natural environment that had made fruit growing such a challenge – an arid climate and a rugged terrain – transformed the Okanagan into a desirable tourist destination.

For the industry, the most noticeable change was the proliferation of roadside stands along the valley's highways as vehicle traffic increased. These stands presented a multitude of problems in the regulation of the product as they allowed

¹² Dendy and Kyle, p. 73.

growers to regain a measure of independent control over their fruit, and to play a more direct role in its marketing. The single desk had operated, successfully, on the notion that BC Tree Fruits - via growers, the BCFGA and the Fruit Board - was the only authorized agent to sell the fruit of the interior. A roadside stand was a direct refutation of this one central premise, and also threatened the central cooperative principles of the Association itself. Aaron Sapiro had warned growers in the 1920s that for a marketing venture to be successful, no member in the cooperative body could have a privilege that would not be enjoyed by all members. The simple reality of the "road"-side stand was that a grower had to have an orchard fronting one the valley's primary routes for such a stand to be financially viable. Based strictly on location, not all growers would have the ability to establish these types of operations and would, therefore, not be able to enjoy a privilege that had been afforded to a lucky minority. Operators of the stands also benefited in that they enjoyed lower overhead costs than the local packinghouses. This became a point of contention as the customer base to which the stands catered was generally tourists from the Lower Mainland seeking savings on the price of fruit. Had it not been for the presence of the orderly marketing system, and the active regulation of supply by BC Tree Fruits in the Vancouver market, it was unlikely that the stands would have been as profitable as they were. Yet, they did not contribute in any way to the costs of the marketing system from which they were benefiting, and in some cases they undermined it, as quality control at the stands became a major issue.¹³

¹³ The operators of roadside stands were routinely accused at BCFGA conventions of peddling cull, over-ripe, or substandard fruit to their customers. This was a practice that many other growers felt undermined the goodwill the industry had striven to achieve with consumers. See, *Kelowna Courier*, January 22, 1964, p. 1.

The final event to cement 1949 as the most challenging and destabilizing year the fruit industry had ever seen occurred late that fall. The north-south orientation of the valley facilitated the movement of a large, polar air mass into the Okanagan trough and over the orchard landscape. Lasting for several weeks, the air mass brought with it record low temperatures, clear skies - causing additional cooling and strong, drying winds that kept the cold air mass moving, negating the effectiveness of any countermeasures that could have been employed (i.e. smudgepots). In aggregate numbers, 366,110 trees were lost in the valley, equaling about 20 percent of total plantings, while many more survived in a severely damaged state.¹⁴ What aggravated matters for the industry was that the effects of the freeze had not been uniform. The Upper Fraser-Thompson area, which comprised the Salmon Arm and Kamloops growing districts, had a staggering 54 percent of its trees killed,¹⁵ while the Oliver-Osovoos area suffered the highest casualties in the Okanagan at 28 percent, and in the Kootenays the Creston area suffered only 4 percent.¹⁶ Production in peaches and apricots was affected the most drastically as both crop totals were down over 85 percent the following year.¹⁷ Apple production also dropped dramatically going from 8,783,005 boxes in 1950 to only 5,100,373 boxes in 1951.¹⁸ The north end of the valley was especially hard hit as total tree plantings in the Salmon Arm area fell from 5,526 trees to 4,049, and Vernon went from 186,680 to 159,329 in the span of one year.¹⁹ Kamloops, in particular, had developed as a fruit growing region of some consequence prior to the freeze,

¹⁵ Dendy and Kyle, p. 96.

¹⁷ Boyer, p. 39.

¹⁴ Jeannette Boyer, Human Response to Frost Hazards in the Orchard Industry, Okanagan Valley, British Columbia, Waterloo: Department of Geography, University of Waterloo, 1977, p. 39.

¹⁶ Ibid.

¹⁸ MacPhee, p. 226.

contributing a large percentage of the over 200,000 boxes of apples the region produced annually.²⁰ A decade later, however, it was essentially lost as a fruitgrowing region, comprising a mere 309 acres of commercial orchards by 1961.²¹ The loss of Kamloops can be seen as more than simply the after-effects of a major freeze; it was representative of the new land-use dynamics re-shaping the valley. It also highlighted the inability of the growers' own organization to safeguard the orchard unit from an expanding rural-urban fringe.

Growers' discontent over their deteriorating economic position eventually led to calls for reform within the fruit industry, and a Planning Committee was struck in 1951 to make recommendations on the relationship between the BCFGA and BC Tree Fruits. The new president of the Association, Arthur Garrish, was determined to put the BCFGA back in charge of growers' affairs by having all elections put under the Association's authority. It had become the accepted method to have the nominated delegates from the locals meet in May to choose members for the Fruit Board, the BCFGA, and BC Tree Fruits. This became an easily manipulatable process for, in the case of the Fruit Board, if no more than three people were nominated for the three seats, there would be no need for a grower-wide election to decide the issue.²² Occurring away from the scrutiny of most growers, the process inherently lent itself to backroom politicking, a fact the Planning Committee sought to rectify by recommending that all elections take place in front of the annual BCFGA Convention. Ultimately seeking to increase the transparency of the association, the re-organization had the unintended consequence of centralizing

¹⁹ *Ibid.*, p. 215

²⁰ Krueger, p. 63. ²¹ *Ibid*.

power within the hands of the BCFGA executive.²³ It also ensured that the agenda of the A ssociation would become dominated by i ssues of marketing due to its direct oversight of BC Tree Fruits.²⁴ The democratic processes that guided the BCFGA offered slight protection, through checks or balances, to prevent the association from fully embracing an agenda dominated by marketing. Regardless of acreage, a registered grower operating a minimum of one acre was entitled to one vote at the local level. For every one hundred members, a local was awarded one delegate to the annual convention, and for each one thousand acres covered by a local, another delegate was afforded.²⁵ The fragmented nature of the orchard landscape entrenched the dominance of growers operating smaller acreages in the delegate selection process. Since the single-desk was intended to protect these smaller producers, there appeared to be an inherent benefit to having the Association take a front and centre role in marketing issues. The long-term consequences, however, were less than ideal as the BCFGA would become virtually marginalized on issues that did not directly deal with the administration of the single-desk and orderly marketing.

Returns continued to diminish after the re-organization, even as the cost to consumers for a box of apples increased; in the face of these trends, growers began to re-assess the structure of their industry, again believing their problems to be internal. Agitation and unofficial calls for some sort of impartial investigation had

²² MacPhee, p. 188.

²³ During the 1940s the industry had created three posts within BC Tree Fruits: President, General Manager, and Chairman of the Board of Governors. These had all been awarded to a single individual, A.K. Loyd, in appreciation of his "gigantic efforts during the war years when salaries where frozen and h is compensation h ad n ot been a dequately set u p in the first place" (Ramsey, p. 188). From this position Loyd was to exert a considerable degree of influence over association affairs, contradicting at times the stated objectives of the democratically elected BCFGA executive. Electoral reform held the promise of preventing any one individual from ever perpetuating such an accumulation of power in the way Loyd had. However, by requiring that the composition of all industry boards be determined at the annual convention of the BCFGA, the association, and by extension its leadership, now found themselves in a position of authority within industry structures.

²⁴ A case in point, Garrish himself would come under considerable criticism in 1957 for attempting to dominate the Association and for purportedly circumventing the Fruit Board in engineering the appointment of a close supporter, Gordie Wight, to the Presidency of BC Tree Fruits.

been voiced as early as 1952. With the continuing economic malaise, various locals tabled official resolutions at both the 1954 and 1955 conventions specifically calling for a Royal Commission to investigate all facets of the industry; finally in 1956, a majority favoured such an investigation. What had served to change the opinion of a majority of growers was the onset of another cold snap in November of 1955. All crops had been retarded by an unusually cool and cloudy spring, so that by late fall the trees had not had a sufficient period in which to enter a dormant stage and harden off. Heading into the January convention many growers, not knowing the full extent of the frost damage, were aware that the industry was facing a potential catastrophe. The Horticultural Branch of the BC Department of Agriculture later estimated that of the 1,298,042 trees in the Valley between the ages of 1-10 years, over 400,000 had been lost to the freeze.²⁶ Even more devastating was that the vast majority of trees killed were the ones that had been planted in 1950 to replace the losses from the previous cold snap. At that time, the province had supplied a one-time grant of \$250,000 after the previous freeze to aid in replanting, but the effects of the 1955 freeze n egated the b enefits of the transfer as many growers had yet to realize any returns from the replanting. As apple production fell from 6,017,015 boxes in 1955 to 3,794,166 boxes in 1956,²⁷ the seemingly perpetual problem of BC Tree Fruits' inability to communicate its actions effectively become a flashpoint amongst growers facing potential red ink at the packinghouse level.²⁸ Many felt that the sales

²⁵ MacPhee, p. 738.

²⁶ Kelowna Courier, November 8, 1956, p. 5.

²⁷ MacPhee, p. 226.

²⁸ Unable to understand how returns had diminished to the degree they did, many growers looked to the BCFGA executive believing it to be withholding information showing corruption and graft throughout the selling agency. The belief that "secret" and "damaging" information was being kept from growers was what fueled the surge of support for the Penticton Ginger Group in late 1956. In his final report, however, Dean MacPhee was to state that while there was no information being withheld "for fear of the consequences," there was a preponderance amongst the executive to not deal with rumours as soon as they arose (MacPhee, p.788).

agency had actively refrained from releasing important information, information that could be used to evaluate the performance of BC Tree Fruits,²⁹ and to a degree they were right. Industry leaders were selectively withholding information from the grower body for a number of reasons. For one, there was a slight contempt regarding the membership's willingness and ability to understand the role of their association. There was also a fear that decisions made for the good of the industry, regarding pooling, could be used by malcontents and dissidents to attack the executive.³⁰ A case in point was the experimentation by BC Tree Fruits with the production of apricot jam in the late 1950s. The selling agency paid fifty dollars a ton for the fruit, but for a number of reasons, the prices returned by the local packinghouses to growers were not uniform. The industry leadership feared the consequences of reporting the actual costs of acquiring the apricots, believing their good intentions in seeking a new outlet for the membership's fruit would be lost in the uproar over packinghouse charges.³¹ To the average grower, this attitude merely fed suspicions that BC Tree Fruits had simply become too complacent and arrogant under the existing system and was not doing enough to ensure maximum grower returns. As a result, and much to the disapproval of the BCFGA executive, a resolution was adopted calling for the appointment of a federal Royal Commission to investigate the industry to see if it was achieving what it had been established to.

²⁹ Penticton Herald, October 10, 1956, p. 1.

³⁰ Gordon DesBrisay to Dean MacPhee, *Proceedings of the Royal Commission on the Tree-Fruit Industry of British Columbia*, March 13, 1958, Box #5, File #17, pp. 6-8, Provincial Archives of British Columbia (PABC).

³¹ When asked by Commissioner MacPhee about keeping the membership better informed about industry activities, such as the jam production experiment, A.G. DesBrisay, a Fruit Board Director, expressed reservations. He was quoted as saying: "I almost question whether the publishing of the details of the operation to the extent that they (BC Tree Fruits) are – whether that's good business or not? I don't think they (growers) understand it." *Proceedings of the Royal Commission on the Tree-Fruit Industry of British Columbia*, March 13, 1958, Box #5, File #17, pp. 6-8, PABC.

A little noticed resolution from this same 1956 convention, lost in the din of activity surrounding debate about a Royal Commission, was one put forward by the Creston local requesting that Kootenay growers be allowed to establish an independent form of central selling. The proposal was defeated, as returning any autonomy to growers in the Creston area, regardless of their circumstances, would jeopardize both the existing marketing apparatus as well as the prices received by growers elsewhere in the Tree Fruit Marketing Scheme area. The Creston resolution was telling, however, in other ways as it demonstrated a willingness on the part of the fruit industry to allow a struggling, peripheral district to be lost, not only as a fruit producing region, but as an agricultural one. The Kootenays had been developed for fruit growing in the same era as the Okanagan, but due to an even more limited land-base had never been able to develop to the same extent. Kootenay growers managed to survive through their ability to build up their own independent brands, which they could sell rather reliably in local and Prairie markets. In many instances, to maintain their viability, Kootenay orchards were self-contained, small, family-run enterprises dependent on the frugality of the owner-operated, on-site packing facilities.³² With the institution of the single-desk in 1939, many of these orchards had to change their existing patterns of marketing. Where they had once been able to buy boxes from a local box factory for eight cents and pack on site with family labour, the cost of packing at the Nelson pool jumped to two dollars per box.33 The new marketing system was dominated by Okanagan growers, and the pooling returns were to be based on the lower Okanagan costs of production. In the

³² Joan Lang, "A History of the Fruit Growing Industry in the West Kootenay District of British Columbia 1905-1950," Unpublished MA Thesis, University of Victoria, September 1996, p. 117.

³³ R Noakes, quoted in Lang, p. 117.

end many Kootenay growers found they could not exist under such a regime.³⁴ By 1956 the district had come to account for only 300,000 of the 6.5 million boxes of apples produced within the scheme area. It would be in the Kootenays that the sale of orchard land for non-agricultural purposes would first assume the role of a safety valve, deflecting any sustained criticism about the BCFGA's evolution after the implementation of the single-desk. Orchards in the district tended to be smaller than in the Okanagan, as many of the original holdings had been subdivided from their original forty and fifty acres down to two- and three- acre plots.³⁵ This resulted in only 39 of the 353 registered growers in the Creston area operating on ten acres or more, while 223 had five acres or less.³⁶ While the land may not have been competitive in the cultivation of fruit, as bench lands it commanded \$1,000 to \$1,500 an acre, while reclaimed land in the same area, used for mixed farming, was selling at only \$100 to \$150 an acre.³⁷ The prospect of fighting the Fruit Board held slight appeal when one could sell out to "retired bankers and businessmen who do not know a peach tree from an apricot tree,"³⁸ but wanted to live the idyllic lifestyle of a hobby orchardist.

As the 1956 growing s eason p rogressed, the impact of the freeze began to become apparent at the local level as trees failed to set and others damaged by the cold produced fruit of a noticeably lower grade. The anxiety levels amongst growers over the expectation of poor returns started to manifest itself in dissatisfaction with the executive of the BCFGA. Many of the individuals holding high office within the

³⁷ Steacy, quoted in the Proceeding of the Special Committee of the Senate on Land Use in Canada, p. 386.

³⁴ Ibid., p. 119.

³⁵ Steacy, quoted in the Proceeding of the Special Committee of the Senate on Land Use in Canada, p. 368.

³⁶ MacPhee, p. 782.

³⁸ *Ibid.*, p. 375.

Association, BC Tree Fruits and the BC Fruit Board at this time were growers who had been active within the industry since the 1920s and 1930s. They could well remember the days of the growers' strike, and the political challenges that had surrounded the implementation of the single-desk between 1927 and 1939. The executive had consistently opposed the idea of a Royal Commission on the grounds that it would remove the agenda from growers' and place it in the hands of politicians. This had been the case in the 1930s, and there was a fear that the legitimacy of the Natural Products Marketing Act could be brought into question through any inquiry.³⁹ For growers, however, the prior disdain of the executive combined with the absence of a progress report on efforts to attain an investigation triggered a minor revolt in October of 1956. Sparked by a fifteen-member "Ginger Group," the Penticton local called an extraordinary meeting at which a thinly veiled resolution of non-confidence in the ability of the BCFGA was discussed. The Ginger Group sought the immediate appointment of a provincial Royal Commission that would emphasize marketing and distribution problems. As these were issues that affected all growers, support for the resolution spread rapidly throughout the other twenty-nine locals as they met to prepare for the January convention. While there were concerns that the attempt to by-pass the convention in order to get approval for a motion should not have been tolerated, by November the executive was forced to concede that;

In view of the attitude already displayed by a majority of Locals, such a request from our Annual Convention is, in the opinion of the Executive, a foregone conclusion.⁴⁰

³⁹ Penticton Herald, October 10, 1956, p. 1.

⁴⁰ Kelowna Courier, November 15, 1956, p. 1.

With that, the province appointed Earle D. MacPhee, Dean of the Faculty of Commerce at the University of British Columbia, to lead a Royal Commission investigating the tree-fruit industry on the 21st of December, 1956.⁴¹

Dean MacPhee would be charged with investigating the economics of marketing and distributing fruit, as growers had desired, but his primary objective would be to determine what constituted an "economic unit" of production. 4^{42} It became an often-repeated statement in the final report that, should a grower deliberately operate an acreage that could not provide an acceptable standard of living, then they should not expect society to feel responsible for their plight.⁴³ The Royal Commission's focus on land-use i ssues was reflective of a broader concern amongst agricultural policy makers in Canada's post-war provincial economies. The British Columbia Ministry of Agriculture, in particular, was concerned with developments in its farm sector that had come to see 55 percent of operations in 1956 producing only 8 percent of total farm revenues.⁴⁴ The average return for these operators amounted to \$653 annually; a total that required family owned farms to look for off-farm sources of income in order to survive.⁴⁵ Until this trend was reversed, and the average size of farms increased, agriculture would remain a volatile sector of the economy, lurching from one crisis to another and leaning heavily on the provincial treasury for support. Since the Okanagan accounted for 25 percent of the

⁴¹ The federal Agriculture Minister, James Gardiner, turned down the request for a federal Royal Commission, as the marketing problems Okanagan growers wanted explored were unique to British Columbia. A national investigation would be required to look at the issues confronting the production and marketing of tree-fruits in Ontario, Quebec and Nova Scotia. As none of these regions supported the call for a Royal Commission, it was deemed to be more appropriate, and cost-effective, to have the province take up the matter. *Kelowna Courier*, October 15, 1956, p. 1. ⁴² MacPhee, p. 9.

⁴³ Ibid., pp. 76-80, 776-778.

⁴⁴ Steacy, quoted in the Proceeding of the Special Committee of the Senate on Land Use in Canada, p. 399.

⁴⁵ Ibid., p. 399.

province's farms⁴⁶ and the subdivision of holdings had been commonplace, determining what constituted an economic unit in the valley was key to changing these existing patterns of agricultural dependency.⁴⁷

As the Royal Commission commenced hearings throughout the valley, it became apparent that there was a wide-range of problems regarding the long-term viability of the orchard landscape. The 1949-50 and 1955 freezes had exposed the systemic, environmental disadvantages that an agricultural community, centered upon the small, individual producer, endured trying to grow fruit in the Okanagan. The larger orchards, those being over twenty acres, could better absorb the effects of frost damage by buttressing a grower's income through the continued production from healthy trees, thereby seeing the orchard through a replant. The grower on a smaller orchard, ten acres or less, was not as well placed to remove large, seven to eight acre tracts of damaged trees, as doing so would have a disproportionate impact on their income.⁴⁸ While the single desk was designed to ensure the viability of these small growers, any orchard operating on the output of damaged trees was an invitation for deteriorating returns – something a marketing system or the capability of the individual grower could not overcome. In the Salmon Arm area, the singledesk even served to push many of the growers working smaller acreages out of tree fruit production altogether, as the economics of the business no longer warranted their continuance. With the damage that had occurred after the 1955 freeze, many of

⁴⁶ Ibid., p. 396.

⁴⁷ At the time of the Royal Commission, government policy was still very much directed to supporting the family farm. The purpose in defining an economic unit was simply to determine which orchards were commercially viable against those that fell into a category of "hobby farm." Once the size of an economic unit had been determined, the economics of marketing and distributing fruit could be addressed and policies formulated to ensure that marketing and distribution practices supported and encouraged full-time commercial operators. ⁴⁸ Mr. Coe to Dean MacPhee, Proceedings of the Royal Commission on the Tree-Fruit Industry of British Columbia, February

^{17, 1957,} Box #7, File #17, pp. 67-69, PABC.

the orchards produced drastically reduced tonnage and lower-quality grades, which in turn pushed costs at the local packinghouse to as high as \$1.95 when a box of apples was selling for around \$2.00.⁴⁹ By 1958, the Salmon Arm Local of the BCFGA h ad folded, s torage p lants in the area h ad b een s hut, and the Ministry of Agriculture was encouraging growers to move into mixed farming.⁵⁰ What had preceded in the Kootenays was now occurring to growers within the Okanagan, as the interplay between markets and the natural environment further eroded the boundaries of the orchard landscape, and the BCFGA seemed incapable of stemming the loss of orchard land.

The other burden that had befallen the small-scale grower was mechanization. Beginning with the labour scarcities of the war years, and then the outflow of individuals to non-agricultural employment in the post-war era, growers had been forced to rely increasingly on machinery in order to operate. As a result, between 1934 and 1959, the number of farm tractors, province-wide, increased from 1,402 to 15,282, while farm trucks saw a similar increase from 3,947 to 11,758.⁵¹ For Okanagan growers, the complete o utfit of a tractor, sprayer, cultivator and mower could cost between \$2,500 to \$6,000.⁵² This degree of mechanization was capable of tending an orchard in the fifty- to sixty-acre range, but for the operator of ten acres it was another added expense that could not be supported by the r evenues from the land.⁵³ One obvious solution would have been to increase the size of the average

⁴⁹ Gordon DesBrisay to Dean MacPhee, Proceedings of the Royal Commission on the Tree-Fruit Industry of British Columbia, March 13, 1958, Box #5, File #17, p. 3, PABC.

⁵⁰ Ibid., p. 3. See also, Steacy, quoted in the Proceeding of the Special Committee of the Senate on Land Use in Canada, p. 369. ⁵¹ British Columbia, Ministry of Agriculture, Brief presented to the Proceeding of the Special Committee of the Senate on Land Use in Canada, 1959, p. 399.

³² Mr. Miller to Dean MacPhee, Proceedings of the Royal Commission on the Tree-Fruit Industry of British Columbia, March 13, 1958, Box #7, File #1, p. 4, PABC.

³³ Some of the local co-operative packinghouses a ttempted to set up an equipment pool of mowers, tree hole diggers, and cultivators that members could rent at reasonable rates. These pools, however, were limited to renting machinery that was not

orchard, but the advent of the Hope-Princeton highway had altered the dynamics of land valuation. When orchards had increased in value through the 1940s, it had been because fruit growing was seen to be a paying investment. With the economic turmoil of the 1950s, real-estate prices for orchard land should have reflected the uncertainty of the industry; but instead, land prices remained high as demand from non-agricultural interests sustained valuations in some areas. Growers on the smaller acreages could ill-afford to assume the risk of buying orchard land at inflated prices when there was slight possibility that they would receive the returns needed to repay any incurred debts and mortgages. Briefing notes kept by Dean MacPhee, concerning witnesses appearing before the Royal Commission offer a glimpse into the situation many growers found themselves in;

G. Ricker, Winfield (6 acres) – "lack of capital ... chief reason for failing to better his position."

K. Pozniak, Eriksson (15 acres) - "purchased additional 5 acres of orchard in 1957."

E. Craigie, Eriksson (13 acres) – "sold 10 acres of orchard in 1957."

A. Gorak, Creston (4 acres) – "orchard subdivided for building lots in fall of 1957."⁵⁴

Where the sale of orchard land in the 1940s had been a profitable exercise in its own right, by the late 1950s subdivision had become a way to cover losses incurred on the orchard. For smaller growers, limited in their options by a marketing system that could not restore any degree of marketing autonomy to the individual, the unregulated subdivision and s ale of 1 and p revented the whole industry from being thrown into crisis.

Despite the seemingly integral role that the orchard unit bore in relation to the operation of the single-desk, growers did not fully engage the issue during the

time-sensitive, or critical to the operation of an orchard. Each grower was, therefore, required to maintain their own tractors, sprayers, and other expensive machinery critical to the operation of an orchard. ⁵⁴ Proceedings of the Royal Commission on the Tree-Fruit Industry of British Columbia, Box #18, File #7 - Box #19, File #8 -

⁵⁴ Proceedings of the Royal Commission on the Tree-Fruit Industry of British Columbia, Box #18, File #7 - Box #19, File #8 - Box #19, File #11 - Box #19, File #12, PABC.

investigation. Instead, they opted to use the occasion of the Royal Commission as a referendum on the record of the BCFGA and orderly marketing; had it achieved what it had been set-up to accomplish?⁵⁵ The Association, for its part, came to play an important role in the proceedings of the Royal Commission, although it, too, tended to avoid the question of what constituted an economic unit. Official transcripts of the commission show that the majority of the BCFGA's participation was confined to the area of marketing and distribution. Granted, this was inescapable due to the Association's direct control over BC Tree Fruits and the Fruit Board, and also as a response to growers who appeared before the commission and invariably raised questions surrounding marketing. MacPhee was to eventually find that 51 percent of orchards in the Valley consisted of 7.5 acres or less, and over 70 percent of growers were operating on 10 acres or less;⁵⁶ at the same time he concluded that an orchard of ten acres or less could not be considered an economic unit.⁵⁷ Debate amongst growers on these findings varied. Some disagreed, claiming that five acres could be an economical unit. Others even tried to argue that large acreages, over twenty acres, constituted a "nightmare" in terms of management for an individual grower.⁵⁸ For most, however, important issues remained marketing-based, such as the creation of a dissident organization, the Canadian Fruit Growers' Association;⁵⁹ or the intricacies of pooling practices at the different packinghouses. This detachment from the less

⁵⁵ Minutes of the Meeting of the Executive of the British Columbia Fruit Growers' Association, Dec. 12, 1956, PABC, (microfilm).

⁵⁶ A more precise breakdown of orchard size is a s follows. In the O kanagan and Similkameen, of the fifty-one percent of operations under 7.5 acres, 658 orchards were under 2.5 acres, 741 orchards were in the 2.5-5 acre range, and 369 orchards were 5-7.5 acres. In the Kootenays, the figures were even worse as thirty-seven percent of growers were operating 3 acres or less, and only 11 percent were on 10 acres or more. MacPhee, p. 78.

⁵⁸ Don Corbishley to Dean MacPhee, Proceedings of the Royal Commission on the Tree-Fruit Industry of British Columbia. February 16, 1957, Box 7, File #4, p. 194, PABC.

⁵⁹ For more information on the Canadian Fruit Growers' Association, see; Christopher Garrish, "We can't dispose of our crop in a democracy! Okanagan Fruit Growers and Challenges to the Single-Desk Marketing System," http://www.BCpl8s.ca/thesis/colloquium.html (January 17, 2002).

obvious, but fundamental questions pertaining to orchard size could be attributed to the policy consequences of the single-desk. Central selling, orderly marketing, and direct control over the Fruit Board and BC Tree Fruits had encouraged the creation of social and economic networks within the BCFGA and the orchard landscape that were invested in a specific farming model, regardless of its viability. The BCFGA's mandate under the Tree-Fruit Marketing Scheme had been to promote and protect, through marketing structures, the interest of the average grower at a time when thirty thousand people depended on the fruit industry for a livelihood.⁶⁰ This assumption of an identity between marketing structures and the preservation of a landscape dominated by small-scale orchard units obscured subsequent changes and pressures affecting the industry. It is not surprising, therefore, that growers felt compelled to blame any slide in their fortunes upon the marketing system when the greater challenge could be found in changing land-use patterns. These same growers operated their orchards, and determined what constituted an "economic unit," based upon their own experience and with the knowledge that the single-desk held a dominant position in the marketplace. For the BCFGA to tackle actively the issue of the uneconomical unit, the entire marketing structure would have had to been rethought. BC Tree Fruits had been created to bring stability to the Okanagan's fragmented orchard landscape. Throughout the 1940s and 1950s, the ability of growers to unite their economic power within the institutional and corporate structures offered by the single-desk influenced many an individual to continue working, or freely subdivide their holdings. A change to either the status of BC Tree

⁶⁰ Margaret Ormsby, "A Study of the Okanagan Valley of British Columbia," Unpublished MA Thesis, University of British Columbia, April 1931, p. 101.

Fruits as the sole selling agency, or an official determination of what constituted a viable orchard size, by its very nature jeopardized the other. The upheaval that would have occurred within existing institutional structures, had the association engaged the issue of the uneconomical unit more strenuously, was a disincentive to action. All told, the BCFGA was essentially locked-in to existing structures that saw issues of marketing dominate the agenda of the Association.⁶¹

Twenty years after the implementation of the single-desk, the orchard landscape had experienced the best and worst of times. While the 1940s were to be the most prosperous decade the industry would ever know, events after 1949 would begin to expose some of the systemic problems of erecting a fruit industry within the natural environment of the Okanagan. The most obvious of these events were the two freezes that descended upon the valley in the short span of five years. Together, the 1949-50 and 1955 freezes killed or damaged upwards of one million trees in the Valley, bringing many growers to the brink of financial collapse. The freezes were also significant in that they exposed the folly of subdividing orchards during the profitable years of the 1940s. Many growers who had thought they could live on reduced acreages, now discovered that these smaller holdings were a liability in an era of reduced returns and expensive orchard replants. As the valley conceded some of its isolation with the building of the Hope-Princeton highway, the arid climate of the Okanagan that had been so detrimental to the production of tree-fruits began to attract new forms of land-use. As growers discovered that they could not always

⁶¹ Paul Pierson, "When Effect Becomes Cause: Policy Feedback and Political Change," *World Politics*, Volume 45, July 1993, p. 610.

afford to pay prevailing real estate prices to re-build their holdings, it would become an accepted practice to subdivide or completely sell out — and not always to agricultural interests. For the BCFGA, which had become so welded to the philosophy or orderly marketing over the prior two decades, the erosion of the orchard landscape was implicitly accepted. The growers' own marketing system had been shaped, in many ways, by the local environment of the Okanagan; founded as it was on centralization, it was incapable of offering autonomy to its members, or of making special exceptions for specific districts. The ability of growers to exit the industry easily, if not make a living at it, was integral to the continued maintenance of the single-desk. As with ranching before it, exit would become the fruit industry's act of accommodation with the natural environment. Entering the 1960s, however, increased urbanization within the valley would jeopardize the merits of continued subdivision and the unregulated sale of farmland.

<u>A Marketing Straightjacket</u> Economic Diversification and the Erosion of the Orchard Landscape

Urbanization increases the costs of farming usually faster than farm incomes rise and anticipated land sale prices become a strong inducement to farmers to sell their property for immediate or future urban use. David Baxter

Now Bankhead will soon be no more, having been sold for a large sum of money to be developed into the housing estates now necessary for the progress and growth of the City of Kelowna, we are told. But for those of us who have planted and cared for this orchard of 7,000 trees through the years it is a sad sight to see the bulldozers moving in to destroy it.² Claude H. Taylor

Manager, Bankhead Orchard, 1964.

The appointment of the Royal Commission in 1956 had marked an important turning point in the nature of government policy towards the valley. The seemingly intractable problems of agricultural dependency in the midst of a booming post-war economy were at odds with the mandate to stabilize the orchard landscape bestowed upon the single-desk in 1939. Reflecting the massive post-war expansion of the state, proposals designed to alleviate this economic plight began to emanate from the bureaucracies in Victoria and Ottawa – and not the growers' own "Parliament," as had o ccurred in the 1 920s. I ntended to address issues of rural poverty, new joint programs were designed to encourage industrial development and off-farm

¹ David Baxter, *The British Columbia Land Commission Act — A Review*, Vancouver: Faculty of Commerce and Business Administration, UBC, Report No. 8, 1974, p. 4.

² Claude H. Taylor, "The Bankhead Orchard 1911-1964," Okanagan Historical Society, 28th Report, 1964, p. 107.

employment opportunities.³ In the Okanagan, the physical constraints of the narrow valleys ensured that any competition for the limited land base, which is what the new regional development programs fostered, worked at o dds with the purposes of the Tree Fruit Marketing Scheme. Not surprisingly, the orchard landscape would be placed under increasing pressure from an expanding rural-urban fringe. The built-up component of the Okanagan's land base would invariably rise from only four percent in 1958, to well over seven percent a decade later.⁴ The three major urban centers of Vernon, Kelowna and Penticton would experience demographic growth of thirty, forty-seven and thirty-one percent, respectively, between 1961-1971.⁵

The majority of urban expansion was contained within the existing boundaries of municipalities until 1966, after which new residential construction increasingly took place on rural, orchard land.⁶ For growers, these changes in landuse patterns should have ranked in significance with issues of marketing, and should have received equal attention on their association's agenda. The impact of unregulated urban development differed little from the effects of inclement weather or mechanization in increasing the costs of production and lowering overall returns. Land could be taken out of production much more quickly than accompanying structural changes to packing capacity or the marketing organization could be

 ³ By the late 1 950s, the federal government had c ome to a ccept the n otion that "rural people formed the c ore of regional poverty, and constituted the most intractable problem for development economists." The most prominent of these programs was the Agricultural and Rural Development Act (ARDA). Anthony Careless, *Initiative and Response: The Adaptation of Canadian Federalism to Regional Economic Development*, Montreal: McGill-Queen's University Press, 1977, p. 71.
 ⁴ The information was drawn from data compiled by the Canada Land Use Monitoring Program. The Okanagan study area

⁴ The information was drawn from data compiled by the Canada Land Use Monitoring Program. The Okanagan study area consisted of 83,979 hectares, of which 68,157 hectares (81%) was in agricultural uses, and built-up uses constituted 3,722 hectares (4%). By 1981, the percentage would reach 31%. A "built-up use" consists of: urban core, extractive, commercial, manufacturing and storage, institutional, transportation and communication, and residential activities. Quoted in, Anne Kerr, *Okanagan Fruitlands: Land-use Change Dynamics and the Impact of Federal Programs*, Ottawa: Environment Canada, Lands Directorate, 1985, pp. 27-28.

⁵ Vernon's population increased from 10,250 in 1961 to 13,281 in 1971. Kelowna increased from 13,188 in 1961 to 19,412 in 1971, and Penticton went from 13,859 people in 1961 to 18,146 in 1971. Kerr, p. 48.

⁶ Michael Fumalle, "Public Policy and the Preservation of Agricultural Land in the Southern Okanagan Valley, British Columbia," Unpublished MA Thesis, University of Victoria, 1975, p. 82.

effected. In the Okanagan, where urban development had become a constant pressure, it would be difficult to adjust fixed costs fully to the constantly falling level of production. The scattered subdivision of agricultural land had also become more than just a blight upon the landscape. It held the potential to alienate adjoining lots by increasing the speculative pressure to cease active production in anticipation of future residential or commercial expansion. In an era plagued by over-capacity at the local packinghouse level, fewer growers or lower volumes in any particular district entailed increased packing and pooling costs to all remaining growers.⁷ Urban subdivision posed further challenges in pest control as untended trees, retained to add to a rustic feel to the new lots, become breeding grounds for disease and infestations.⁸ Growers generally incurred additional expenses when common agricultural practices conflicted with residential lifestyles, resulting in vandalism, theft and objections to common agricultural practices such as spraying.⁹

Twenty years of continual subdivision and fragmentation, however, had generated sunk costs in the orchard landscape that served to lock-in the BCFGA to a specific policy course. As a political institution with large fixed costs in infrastructure (the tree-stock of its membership), and distribution networks (established relationships with packinghouses, wholesalers and exporters), the Association was caught within an incentive structure that favoured a strong maintenance of the status quo. Independent case studies have shown that when institutional arrangements, welding public policy to new or existing administrative structures, are adopted, the accompanying incentive structures "may lead quite

⁷ To qualify the term neighbourhood packinghouse, there were roughly 34 packinghouses in the valley at the time of the MacPhee Royal Commission, while in 2001 there were only four major houses. ⁸ Fumalle, p. 92.

rational actors to behave in ways that are collectively suboptimal."¹⁰ The disjointed response of the fruit industry, throughout the 1960s, to the continued threat of subdivision and urban encroachment conforms to this assertion. The reluctance to engage the issues of land-use change impacting the orchard landscape can, at first, be perceived as a gross abdication of responsibility on the part of the industry: suboptimal behaviour. This non-action can only be understood through the social and economic networks that took root following the implementation of the single-desk: these generated the incentive structures that influenced the probability of particular responses.¹¹ In short, the BCFGA found itself indirectly favouring a continued fragmentation of the orchard landscape, a necessary facet to maintaining its dominant position within the industry.

The findings of the MacPhee Royal Commission represent one of the first occasions in which the industry's response to a general program of reform became questionable from the point of view of an optimizing rationalism. MacPhee had stated unequivocally in his final report that if growers wished to continue operating uneconomically sized orchards, society would have less of a responsibility towards them.¹² He followed this with a series of recommendations ranging from packinghouse amalgamation, efficiencies to be achieved in management, and legislative changes, to increased financial assistance that could be pursued to alleviate the plight of the industry.¹³ To the general grower body, however, the force

⁹ Ibid., p. 93.

¹⁰ Paul Pierson, "When Effect Becomes Cause: Policy Feedback and Political Change," World Politics, Volume 45, July 1993,

pp. 606-607. alternatives implausible. The result is often not conflict over the foregone alternative, but the absence of conflict. Pierson, p. 610.

¹² British Columbia, Department of Agriculture, Report of the Royal Commission on the Tree-Fruit Industry of British Columbia, Dean E.D. MacPhee (commissioner), Victoria: Queen's Printer, 1958, p. 777.

¹³ *Ibid.*, pp. 765-804.

of such recommendations, including packinghouse amalgamation, had slowly been losing significance during the course of the commissioner's investigation. The activities of Alfred Beich and his Canadian Fruit Growers' Association (see below) had successfully polarized debate throughout 1958, turning MacPhee's final report into a referendum on the merits of BC Tree Fruits. For the BCFGA, the singularity of this discourse ideally suited its institutional limitations, allowing it to engage the dissidents and argue in favour of the status quo. MacPhee sought to put the issue to rest in his report as it had never been the focal point in his terms of reference, and was detracting from other needed reforms.¹⁴ Although the dean directly refrained from passing judgement upon the dissidents and their cause¹⁵, he adeptly used the continued unrest in the Kootenays to imply that an abandonment of BC Tree Fruits, as Beich advocated, would be equivalent to committing economic suicide.¹⁶ Undeterred, dissidents reorganized into the Okanagan-Kootenay Fruit Growers' Cooperative Association and proceeded to carry out a systematic assault upon the BCFGA.

The effectiveness of the campaign caught the majority of those associated with the administration of the Tree Fruit Marketing Scheme off-guard. The President of the BCFGA, Arthur Garrish, wrote to MacPhee that

I must admit that we have been caught completely by surprise at the degree of effectiveness Mr. Beich has achieved in his campaign, coming as it did immediately on the heels of the publication of your report. We were

- (c) The factors involved in the marketing of tree-fruit products.
- MacPhee, p. 9.

¹⁴ MacPhee's terms of reference were:

⁽a) What constitutes an economic unit of production;

⁽b) The economics of packing, storage, and processing facilities, procedures, and techniques employed in the Province;

¹⁵ "It will probably become a question of confidence of the majority of the fruit-growers of the area as to which leadership they wish to follow. The Commissioner does not consider it appropriate for him to make any evaluation of this problem, and all the more so because, at the time of the meeting, numerous interpretations were made which represented interim thinking of the group rather than any agreed policies." *Ibid.*, p. 755. ¹⁶ *Ibid.*, p. 784.

unquestionably over-confident and most certainly never expected Mr. Beich could cut any swath.¹⁷

The Minister of Agriculture, Newton P. Steacey, was more blunt: "We cannot allow subversive groups to interfere with good management."¹⁸ The dissidents, claiming that BC Tree Fruits had become an unresponsive monopoly, sought to have the Tree Fruit Marketing Scheme amended to allow their organization to compete legally for market share. Focusing on the three-party contract, Beich urged growers not to renew in the belief that if fifty percent abstained, the government would be obliged to recognize his Okanagan-Kootenay Co-operative. The dissidents' immediate successes preoccupied growers and their association at a time when the full context of MacPhee's recommendations should have been open for debate.¹⁹ For three years the industry would be embroiled in their recurring demands to dismantle the orderly marketing system. Closure would only be attained at the 1962 Annual Convention, as Beich, unable to attract wider support to his growers' association, attempted a reverse takeover, only to be defeated in his bid to become the President of the BCFGA by a vote of 61-6.²⁰ Having resolved these marketing issues, the Association should have been free to pursue a broader agenda, one that addressed increased issues such as the urbanization resulting from various development projects. Unfortunately, existing institutional structures favoured continued non-action by the industry on issues such as the uneconomical unit or orchard fragmentation.

¹⁷ Personal Correspondence, Arthur Garrish to Earle D. MacPhee, March 3, 1959, Kelowna Centennial Museum.

¹⁸ Personal Correspondence, Newton P. Steacey to Arthur Garrish, February 26, 1959, Kelowna Centennial Museum.

¹⁹ Three weeks a fter having mailed out the three-party contract to growers, only 700, or a bout 20% of the total had been returned. This was in comparison to 1,100 having been returned in the same period five years earlier. The BCFGA President attributed the change to the actions of Beich. Personal Correspondence, Arthur Garrish to Earle D. MacPhee, March 3, 1959, Kelowna Centennial Museum.

²⁰ A sympathetic resolution from the Cawston-Keremeos Local (the same Local that nominated Beich for the Presidency) was debated at the Convention. Calling for British Columbia to be declared a "free area" from regulation in the sale fruit, it too was to meet with a resounding defeat at the hands of growers. It may also be worth noting that the Cawston-Keremeos Local stood to benefit the most by the removal of restrictions on the provincial sale of fruit as most of its members were benefiting from the increased road traffic brought about by the construction of the Hope-Princeton. *Kelowna Courier*, January 25, 1962, p. 1.

The selective engagement of MacPhee's recommendations would not be the only instance of quixotic behavior in the coming decade. British Columbia was in the midst of an impressive phase of modern province-building by the early 1960s, one in which the development of mega-projects was equated with both social and economic progress. When the Social Credit Party, the chief architect of this expansion, had come to office in 1952, it inherited one of the most archaic forms of cabinet government in Canada – one that had remained largely unchanged since the colony had entered Confederation in 1871. Traditional in form, cabinet's structure was simple and uncomplicated in operation, lacking the committees, staff, staff agencies and extensive paper work needed to provide planning and co-ordination capability.²¹ Under this system the Premier, W.A.C. Bennett, enjoyed unprecedented decisionmaking authority in his dual role as Finance Minister with control over the Treasury Board.²² Bennett's penchant for charting economic progress on a project-by-project basis was one that did not lend itself to close inter-departmental co-ordination.²³ This scenario of one hand not knowing what the other was doing created a climate in which economic expansion was being encouraged despite efforts to stave off an inevitable loss in agricultural land. Many examples are available that underscore this dynamic, the most notorious being the expropriation of four thousand acres of prime farmland in Delta needed for construction of the Roberts Bank Superport. This one decision undermined a consensus reached over the span of four years between twenty-eight municipalities, the Lower Mainland Regional Planning Board and the provincial government itself, to protect the land for long-term agricultural use. The

 ²¹ Paul Tennant, "The NDP Government of British Columbia: Unaided Politicians in an Unaided Cabinet," *Canadian Public Policy*, Volume 3, Autumn 1977, p. 491.
 ²² Ibid., p. 491.

Kootenays offer a further example, one with significant overtones for the orchard landscape, as British Columbia and Washington State signed a treaty to develop the Columbia River for hydroelectricity.

The flooding of the Arrow Lakes region of the Kootenays to construct the upstream storage dams necessary for power generation constituted a significant loss of farmland. An estimate by the Arrow Lakes Farmers' Institute put the figure to be approximately twenty-three thousand acres.²⁴ The BCFGA Executive showed a promising response to these developments by contemplating the establishment of a committee charged with assessing the impact of the Columbia development on agricultural production.²⁵ Unfortunately, there are no further records as to whether a committee was ever struck, or if any other research was conducted.²⁶ It is probable that the proposal became marginalized in the impending showdown with dissidents at the 1962 convention. In the absence of a comprehensive, industry-wide study on the status of tree-fruit production, one of the best ways to gauge the impact of development becomes the records of Associated Growers - the venerable selling agency that had been established in the wake of Aaron Sapiro. After having ceded control of marketing to BC Tree Fruits in 1939, the Associated had persisted through the distribution of pesticides to its remaining membership. In this capacity the Associated's operations can be used as a barometer to gauge the integrity of the

²³ Ibid.

²⁴ C hristopher S picer a ppeared b efore h earings i nto the flooding of the Arrow Lakes region on behalf of the Arrow Lakes Farmers' Institute in 1961. In his submission, he claimed that; "the lands to be flooded and abandoned would equal twice the entire area now planted to tree-fruits in the Okanagan (23,000 acres)." Quoted in: Donald Waterfield, *Continental Waterboy: The Columbia River Controversy*, Vancouver: Clarke, Irwin and Company Ltd., 1970, p. 68.

²⁵ British Columbia Fruit Growers' Association, *Minutes of the Executive Meeting*, March 8, 1961, p. 5. PABC.

²⁶ The initial proposal for such a committee appears in the minutes of the BCFGA Executive, housed at the Provincial Archives of British Columbia. Unfortunately, there is no further mention by the Executive of assembling such a body, and no resolution for, or report by any similar type of committee ever appears to have been debated at the annual conventions of the BCFGA between 1962-69 (material also found at the Provincial Archives).

territory is practically out of the picture insofar as production is concerned. The last substantial area, namely Renata, will have to give way to power production developments, as the entire area will be flooded. We are still carrying the small amount of Accounts Receivable in our records, namely \$74.68, but as previously indicated there is a reserve to cover this.²⁷

Another of the unintended results of the Columbia River Treaty was that the construction of the upstream storage dams provided Washington State's growers with a source of late summer irrigation.²⁸ With cheap land and government incentives, apple production in Washington's Columbia Basin Project was to increase from 484 acres in 1962 to 27,433 acres in 1992.²⁹ Meanwhile, the absence of an integrated planning apparatus that could effectively protect agricultural production in British Columbia was negating the effectiveness of amendments designed to regulate land-use and preserve farmland.

The formulation of the Agricultural and Rural Development Act (ARDA) by the federal government in 1961 further underscored the extent to which the BCFGA had become locked-in to prevailing policies. Despite its status as the pre-eminent producer group in the province, the Association exercised slight influence on the application of the program to the Okanagan. Intended to address the specific problems of rural Canada, ARDA was a joint program that encouraged the development of alternate land-use patterns, soil conservation, and farm consolidation. Initially objecting to the jurisdictional incursion by the federal government, the province only consented to an ARDA designation in British

²⁷ Minutes, Director's Meeting, Associated Growers', June 13, 1966, p. 2, Vernon Museum.

²⁸ Wendy Holm, *The Agricultural Land Reserve in the Okanagan: Renewing the Public Policy Prescription* (report submitted to the B.C. Fruit Growers Association), Bowen Island: W.R. Holm and Associates, 1997, p. 48.

Columbia when it was established that the majority of the funding would be earmarked for projects in the premier's constituency of South Okanagan.³⁰ What was intended as a national program to alleviate rural poverty came to serve a distinctly partisan objective in the Okanagan. Without questioning the merits of rehabilitating irrigation works, the activity to which the majority of ARDA funding in the valley was budgeted between 1962-65, the 1958 Royal Commission had maintained that irrigation reconstruction was a peripheral issue to the overall health of the fruit industry.³¹ What ultimately drove the project to install new irrigation systems was the political capital to be gained with rural residents. In many instances, the upgrading of the farm component of the network was accompanied by the installation of a dual water system that brought running, domestic water to an orchard unit.³² This materially improved the living standards for many farm families while avoiding the less palatable reforms advocated by the Royal Commission, such as packinghouse amalgamation, or orchard consolidation. Had the BCFGA been able to move beyond questions of internal dissent related to the single-desk, the parceling out of ARDA funds might not have been driven exclusively by government, to the detriment of needed reforms to the industry. The Association's non-action on the matter abetted increased erosion of the orchard landscape. Since the era of the great ranch, the Okanagan had suffered from an under-developed infrastructure. The

²⁹ This became a major source of competition for Okanagan producers, accounting for 94% of total U.S. apple imports into the British Columbia market for 1992. *Ibid*.

³⁰ Careless argues that due to British Columbia's considerable wealth, based upon primary resources, and the highly conservative political views of the governing party, it did not possess the inclination to encourage industry through discretionary public policy and was initially opposed to ARDA. Careless, p. 30.
³¹ Of the \$5.5 million approved during the first phase of the program between 1962-65, \$4.7 million went to the rehabilitation.

³¹ Of the \$5.5 million approved during the first phase of the program between 1962-65, \$4.7 million went to the rehabilitation of irrigation works in the valley. Helen Buckley and Eve Tihanyi, *Canadian Policies for Rural Adjustment: A Study of the Economic Impact of ARDA, PFRA, and MMRA*, Ottawa: Queen's Printer, 1967, p. 255. MacPhee felt that it would be outside of his terms of reference to examine the efficiency of the irrigation systems now in operation. He did, nevertheless, feel that he would be remiss if he did not draw to the attention of the provincial government that a substantial percentage of the works were nearing the end of their useful life. MacPhee, pp. 147-152.

addition of a domestic water supply through ARDA altered the desirability of numerous orchard properties for residential development.

A number of additional factors, primarily resulting from provincial and federal policies, regulations, and programs, further contributed to the fragmentation of holdings. The orchard landscape already made it very difficult for developers to accumulate large tracts of land. As a result, existing subdivisions were, by necessity, quite small in terms of lot size and acreage.³³ Provincial legislation also had a role to play as subdivisions of five lots or more, and over one hundred acres, could only be offered "after the subdivision plan had been filed in the Land Registry Office, and after a prospectus in the form and with the content required by the Real Estate Act has been delivered to and accepted and filed by the Superintendent of Insurance."³⁴ Subdivisions of fewer than five lots were not required to follow this procedure, allowing developers and individual orchardists to convert their holdings easily.³⁵ Those orchards possessing a domestic water supply became more desirable as their servicing costs had been subsidized by ARDA.³⁶ Continued urban demand, both residential and commercial, for orchard land was being stimulated by a new, overhauled ARDA program that sought a different direction, a way from unrelated agricultural assistance projects, such as irrigation improvements, and towards a more planned regional development program.³⁷ The federal government now recognized

³² Michael Fumalle, "Public Policy and the Preservation of Agricultural Land in the Southern Okanagan Valley, British Columbia," Unpublished MA Thesis, University of Victoria, 1975, p. 99.

³³ *Ibid.*, p. 87.
³⁴ British Columbia, quoted in Fumalle, p. 87.

³⁵ Ibid.

³⁶ The government had foreseen the possibility of growers using ARDA funds to subsidize the provisioning of a domestic water supply to their orchards, only to offer them for sale to residential developers. Therefore, before an orchard was supplied with a new water system, a contract was entered into that laid out a system of penalties designed to discourage the conversion of orchard land a fter ARDA upgrading. Land values in the Okanagan, however, were such that any penalties could easily be absorbed by the high prices that orchard land was able to command in the 1960s, rendering the penalties ineffective. *Ibid.*, pp. 99-102.

³⁷ Careless, p. 72.

that rural poverty encompassed more than just farming, and that the labour displaced by farm consolidation lacked the skills to find alternate employment.³⁸ Accordingly, a new system of industrial incentives was devised under a revised "designated-area policy" that saw the three Okanagan centres of Vernon, Kelowna and Penticton qualify in British Columbia.³⁹ It would be later estimated that ninety-five projects were established or expanded under the new incentives, employing approximately thirty-eight hundred people by the end of the decade. The completion of the Roger's Pass section of the Trans-Canada Highway in 1962 facilitated a further fragmentation of the orchard landscape as motor vehicle access to the valley was substantially improved.⁴⁰ When combined with the numerous beaches and lakes of the region, the rural feel of the orchard landscape that had been so at odds with the warm, arid climate and rugged terrain became a major pull factor for a burgeoning tourist industry. By 1970, tourism would be the third most important sector of the economy, behind only agriculture and the incentive-laden manufacturing industry.⁴¹ In ten years, the percentage of fruit trees located in the north of the valley vis-à-vis the south had gone from sixty percent to only forty-seven percent.⁴²

The virtual non-response of the BCFGA to these changing circumstances is, at first, perplexing. Urban growth was now the single greatest threat facing the orchard landscape: the expanding rural-urban fringe took acreage out of production, reduced volumes, increased costs, and lowered overall returns. Accordingly, one would expect the records of the BCFGA, BC Tree Fruits or any one of the

³⁸ Ibid.

³⁹ Pat McGeer, *Politics in Paradise*, Peter Martin Associates Limited, Toronto, 1972, p. 15.

⁴⁰ Arthur Garrish, "The Orderly Marketing System," Okanagan Historical Society, 50th Report, 1986, p. 64.

⁴¹ Fumalle, pp. 81-82.

⁴² The north saw a decline in overall numbers of 132,000 trees. Kerr, p. 31.

packinghouses to contain references to this new set of challenges. That there was no great debate is indicative of the extent to which the fruit industry had become welded to issues of mass commodity marketing, and marketing alone. Driven by a sense of pressure on their incomes and on their industry, growers responded not by clearly analysing their overall situation, but instead by re-entering the well-worn discussion regarding the efficiency of BC Tree Fruits as a central selling agency. This was an issue that had been raised again at the 1964 Convention as growers began to question whether they were receiving fair value for their crop from the selling agency. The total cost of a survey to be conducted by a private Toronto firm was estimated to be approximately \$50,000 – all of which would have to be covered by growers. It would be this latter point that dominated discussion at the 1965 annual meeting, ultimately being rejected by a vote of 34-33 by delegates.⁴³ The narrowness of the defeat exposed the shortcomings of the industry's evolution. Growers perceived that their returns were being adversely affected, but framed their response by looking inwards at the structures of their own Association. Even then, a consensus could not be achieved as neither BC Tree Fruits, the three-party contract, pooling methods, roadside stands nor the extension of CA storage could easily be identified as the source of poor returns to growers. The answers that were now sought lay in relationships with the land, and the changing urban face of the valley.

Throughout the 1950s, the driving force behind growers' unrest had been the aftereffects of consecutive freezes. Fortunately, for almost ten years the natural environment had afforded a degree of stability that allowed growers to recover from

⁴³ The Peachland local had even attempted to resurrect the old Cawston-Keremeos resolution, to have British Columbia declared an "open market" at that year's convention, before it too was met by defeat. *Kelowna Courier*, January 19, 1965, p. 1.

the effects of these last major freezes. The weeks leading up to the 1965 Convention, however, marked the end to this run of mild winter weather as temperatures dropped to lows of -26°C to -28°C.44 Initial optimism regarding the extent of the damage gave way throughout the spring of that year to the realization that the frost had a greater impact than had been initially estimated. The polar air mass that had blanketed the valley that December ended up killing over 200,000 trees and damaging many more.⁴⁵ The annual Report of the Penticton Co-operative Growers' read like a report from any one of the packinghouses throughout the Okanagan that year. The 1965 crop of soft fruits in the area amounted to a mere 508 packages compared with the 241,617 packages in 1964, while apples, pears and crabapples were down a collective 45 percent.⁴⁶ To many growers, the costs of replanting had become too onerous for precisely the reasons that MacPhee had outlined seven years earlier. The economics did not justify continued production when land valuations remained inflated from the increased economic activity of the valley. This helps explain the easy and quick extension of residential construction onto the orchard landscape after 1966. As in past years, the records of Associated Growers' business operations can be used as a barometer for changes occurring within the orchard landscape. The co-operative was coping with a reality in which, based on the record of rebates for the calendar year 1966, only 42 percent of distribution had occurred in the Vernon area and further north, while 58 percent was now occurring from

 ⁴⁴ Jeannette Boyer, Human Response to Frost Hazards in the Orchard Industry, Okanagan Valley, British Columbia, Waterloo: Department of Geography, University of Waterloo, 1977, p. 40.
 ⁴⁵ Ibid.

⁴⁶ Penticton Co-operative Growers', 53rd Annual Report and Balance Sheet, 1965, p. 2.

Westbank south.⁴⁷ Located in Vernon, Associated Growers was becoming geographically separated from its surviving customer base.⁴⁸

Institutionally, the period immediately preceding the 1964-65 freeze saw the association enter into the final stages of a transition in leadership that had been under way for a number of years. Many of the growers who had served through the war years and into the period of the Royal Commission had retired or been replaced within the various levels of the BCFGA hierarchy. Already departed were "Tiny" Walrod, Gordie Wight and Gordon DesBrisay, and in 1965 Arthur Garrish, President of the Association since 1951 and the "perpetual" holder of the post, announced that he too would not be seeking re-election at the forthcoming convention.⁴⁹ The timing of Garrish's departure, however, further reinforced the aversion of the BCFGA towards important issues of land-use change at a critical juncture in the history of the orchard landscape. Due to the length of his tenure and dominant position within the industry's hierarchy, Garrish's retirement left the Association in a minor state of flux during the transitional period. It would require a couple of conventions before the new president, Allan Claridge, firmly imprinted his own style of leadership upon the Association. In the interim, the only major initiative to reach fruition was the successful lobbying of the provincial government for the enactment of cropinsurance legislation in 1967. Preoccupied with internal renewal and the implementation of the Crop Insurance Act - a valuable, yet limited tool for

⁴⁷ Minutes, Executive Meeting, Associated Growers, December 12, 1966, p. 2, Vernon Museum

⁴⁸ Using Canada Land Use Monitoring Program data, Anne Kerr presents statistics showing that between 1958 to 1969 the North Okanagan lost 420 hectares, or 29.5% of the orchard land in the district, while residential land uses doubled from 284 to 573 hectares. The Central Okanagan (comprising Kelowna and Penticton) lost even more acreage, 690 hectares (10.5% of all orchard land), as residential land uses skyrocketed from 424 hectares to 1,326 hectares in the same span. Only the South Okanagan avoided such a substantial loss of orchard land, 6.8% in this period. Kerr, p. 136. For a more comprehensive presentation of this data, please Appendix B. ⁴⁹ Dendy and Kyle, p. 176.

alleviating the deep-seated problems facing the industry – a clear position on urbanization h ad yet t o b e e nunciated b y the Association towards the close of the decade. Events at the opening of the 1968 Convention offered an interesting juxtaposition to the Association's continued non-action on land-use change. The Minister of Agriculture, Frank Richter, impressed upon growers the need to take a broader view of the problems plaguing their industry.

> It seems obvious your present program should be enlarged to take into account the pressing problems of agricultural land use. I have in mind such matters as the continuing encroachment of urban areas onto farmland, the location of industrial sites and highways.⁵⁰

Unfortunately for Richter, growers' conventions could always be relied upon to deal almost exclusively, in some way or another, with a variant of the traditional marketing theme. The 1968 gathering would be no different and, reflecting the new direction emerging under Claridge's leadership, a designated theme of *A United Agriculture* was adopted for the convention. Most likely a manifestation of the nationalism engendered by the country's Centennial Celebrations the previous year, *A United Agriculture* sought to forge closer ties with a wide variety of national and provincial producer groups.⁵¹ Accordingly, the national, marketing orientation of the theme did not easily mesh with the substance of Richter's essentially local, non-marketing recommendations.

In light of the Association's sustained inability, throughout the 1960s, to enunciate a clear position regarding the erosion of the orchard landscape, the unfettered sale of orchard land can be interpreted as having emerged as a vital

⁵⁰ Ibid., p. 2.

component of the orderly marketing system. The ability to exit the industry in an easy and manageable fashion came to assume the role of a safety valve, thereby securing the entrenched social and economic patterns and enabling the remaining growers to avoid the larger issues facing their industry. In the economic juggernaut that was British Columbia throughout the 1960s, however, the fruit growers could not sustain their relationship with the landscape. Another freeze in 1968-69 destroyed the majority of trees that had been re-planted in 1965. The lasting effects of the frost damage also exposed some of the shortcomings in the Crop Insurance Act – namely the reduction in benefits during a prolonged downtown in crop volumes. As the flow of money to growers from the packinghouses "dried up" in early 1970, the general mood of dissatisfaction that followed encouraged the reemergence of dissidents.⁵² Their return coincided with the emergence of a broader desire, e specially in the Lower M ainland, to see the province's scarce a gricultural base protected from urban sprawl. Any attempts to put controls on the use of agricultural land in the province, however, would directly conflict with continued support for the orderly marketing system in the Okanagan, as restrictions would block growers from realizing any windfall in real estate profits from either subdividing, or exiting the industry. Unable to bank on the value of their land in retirement, many growers would demand a re-evaluation of marketing structures in the hopes of finding a system more capable of providing more consistent returns during their productive years.

⁵¹ The belief was that closer integration amongst groups such as the BCFGA and other farmer-driven marketing organizations such as the Wheat Pools would bring a better livelihood for all.

² Arthur Garrish, "The Orderly Marketing System," Okanagan Historical Society, 50th Report, 1986, p. 61.

The Fruit Wars*

There are many acts, and still a greater number of forbearances, the perpetual practice of which by all is so necessary to the general well-being, that people must be held to it compulsively, either by law, or by social pressure.¹ John Stuart Mill

Have none of you heard of zoning before? Have none of you heard of land use before? Is this such an entirely new concept in the Province of BC, or is this the first time you think the government really means it?² Dave Stupich, Minister of Agriculture Address to the British Columbia Fruit Growers' Association 1973

The continued deterioration of grower returns into the 1970s, exacerbated by the 1969 freeze, was pushing the BCFGA into an increasingly reactionary position regarding the conversion of orchard land. For the association, the unencumbered right of the individual growers to dispose of their property was to be jealously guarded as it was all that was buttressing the industry from a more serious, internal crisis. Growers who had replanted only three years earlier were particularly hard-hit as their investment in new trees was completely erased by the 1969 frost, while surviving trees could not be relied upon to provide a decent level of income. Economic distress was swelling the ranks of growers peddling fruit to the coast in contravention of Fruit Board regulations. The industry was finding itself in a precarious position: any change to r estrict the sale of orchard land, or any further

^{*} The term "Fruit W ar" was commonly used in the British Columbia press during the 1973 cherry season to describe the confrontation occurring between dissidents and the BC Fruit Board. "The Fruit Wars" is also the title of a poem published by Harold Rhenisch in *Out of the Interior: The Lost Country*, Cacanadadada, Vancouver, 1993, p. 109. Harold Rhenisch is the son of Hans Rhenisch, founder of the Okanagan United Growers and one of the more prominent dissidents fighting against compulsory marketing in the early 1970s. Harold Rhenisch's poem appears in Appendix A.

increase in the numbers of growers peddling fruit to Vancouver, would destabilize traditional marketing patterns. The end-result of either scenario - land-use restrictions, or the stringent enforcement of Fruit Board rules - opened the possibility that growers, in a desperate attempt to remain solvent, would bid to remove the monopoly status of BC Tree Fruits and undertake their own, individual marketing. It is almost ironic then, that it took a provincial election fought substantially on the issue of farmland preservation in 1972 to make the BCFGA enunciate a position on land-use issues. A newly elected administration was determined to fulfill an election promise to halt the conversion of agricultural land, while the Association was equally determined to minimize any such changes. For growers, the potential that a farmland freeze would limit their long-term options fragmented opinion, spurring the reemergence of a more militant group of dissidents determined to exploit the unrest. Over the summer of 1973, the actions of these rebels and the political calculations of the provincial government isolated the BC Fruit Board, throwing the future of the single-desk into question. A compromise solution to this turmoil, income subsidies introduced in the fall of 1973 designed to gain support for the government's farmland preservation program, ultimately precipitated the abandonment of the orderly marketing system.

For the better part of a decade, dissidents opposed to the compulsory requirements of the single-desk had remained marginalized within the fruit industry. The defeat of Alfred Beich at the 1962 Convention had marked an ebb of their

¹ John Stuart Mill, quoted in John Gray, *Mill on Liberty: A Defense*, Routledge and Kegan Paul, London, 1983, p. 64. ² Dave Stupich, quoted in *BC Orchardist*, February, 1973, p. 12.

influence. Thereafter, acts of protest against the marketing system remained confined to the individual sphere, generally taking form in a grower's own decision to peddle fruit illegally. Less radical growers, however, who found themselves unable to continue under the existing arrangements, could still pursue the option of exiting the industry through the unfettered sale of their orchards: an option many were to employ, effectively confining the appeal of the dissidents to a small core of growers composed of ardent individualists. Entering the new decade this balance would be upset as a result of a second major freeze that impacted the valley in less than five years. The arctic air masses experienced throughout the winter of 1968-69 brought temperatures only ever recorded during the great freeze of 1949-50. The timing of the freeze could not have been worse as the young, unbearing trees planted after the 1965 kill-off sustained the greatest casualties.³ The loss of so many trees, which had yet to yield any return on investment, left many growers facing a daunting economic challenge. The lucrative, but delicate soft-fruit crop was simultaneously wiped out, leaving only the apple – representing seventy-nine percent of the overall crop that year – to sustain the industry.⁴ For all growers, the prospects were bleak. Increased production in Washington State had created a regional surplus in apples and, reflecting the depressed market prices, apples sold through BC Tree Fruits that year only fetched 3.4 cents per pound.⁵ At this rate of return the costs of packing and marketing the crop were not being met, leading some packinghouses to issue charges

³ Jeannette C. Boyer, Human Response to Frost Hazards in the Orchard Industry, Okanagan Valley, British Columbia, Waterloo: Department of Geography, University of Waterloo, 1977, p. 41.

⁴ Ibid.

⁵ The return for 1969-70 was a mere 3.4 cents a pound, compared with 7.2 cents a pound the previous year and 6.8 cents a pound in 1967-68. British Columbia, Department of Agriculture, An Economic Study of the Tree Fruit Industry of British Columbia, S.C. Hudson, Victoria: Department of Agriculture, 1973, pp. 5-6.

to their membership for handling their product instead of paying them for it. All told, growers had been dealt a financial blow that was nothing short of a disaster.

By 1970, an increasing number of growers found themselves falling afoul of Fruit Board regulations as they attempted to obtain a return on their fruit outside of legal marketing channels. The inability of the industry or the Crop Insurance Act to mitigate the economic losses encouraged some growers - growers who would have never otherwise challenged the single-desk — willfully to bootleg fruit to the coast. The desperate situation began to cast the practice of illegal peddling in a different light, as no longer the domain of those strictly out to profit at the expense of their neighbours. For true dissidents, however, the low returns fueled an escalating animosity towards the BCFGA, the Fruit Board, and the monopoly status of BC Tree Fruits. In their eyes, this industry triumvirate was slowly legislating the average orchardist into poverty, an extreme view, but one that nevertheless held the potential to attract more adherents during a period of turmoil. Such a dynamic had been demonstrated in the mid-1950s when isolated, individual discontent was galvanized into a somewhat broader, organized opposition to the prevailing status quo favoured by the BCFGA executive. Dissidents had sought to exploit the fragmented grower opinion to push their own agenda beyond any relation to their representation within the industry. By the early 1970s, all that remained to trigger further dissent was another divisive or "wedge" issue similar to the appointment of the Royal Commission in 1956.

The Annual Report of the Fruit Board presented at the January convention of the BCFGA could always be counted upon to be a rather routine summation of activities conducted over the year. As policeman to the industry, the Fruit Board could also be counted on to draw the ire of dissidents, and 1973 proved no different as the board's Report drew "heavy fire."⁶ Many of the complaints voiced in public revolved around the board's perceived preoccupation with restrictive regulations and a lack of any clearly stated objective for securing better returns for the grower.⁷ Dissidents chaffed under increased oversight as the board sought to stem the tide of growers who "in desperation have decided they could do better by themselves."⁸ Some of the more prominent and outspoken critics present were Hans Rhenisch, a Keremeos grower who opened "debate" on the board's report by querying whether "any legislation the Fruit Board brings in will not simply be good for the Fruit Board, but will in the final end make more money for the grower."⁹ Bert Hume followed with the rather telling statement that

In no way will I co-operate in a scheme that is not returning me my cost of production ... Why is this board concerned so emphatically with controls and regulations and ignoring the real issue of returning the price to the grower?¹⁰

Even Alfred Biech was present, re-fighting old wars:

If you talk about controlled marketing, that's fine. Mr. Stoll [Hans Stoll, Vice-Chairman BC Fruit Board] says we are going to ruin it and everything else. We are not ruining anything. We want the Marketing Board to operate to our advantage but if it is only going to operate to the advantage of the wholesalers it will be down the drain.¹¹

Such arguments against the single-desk and orderly marketing, however, were longfamiliar ones within the industry and, alone, did not strike any chords with the majority of growers. If the dissidents were to further their cause at all, a greater

- ⁹ Ibid.
- ¹⁰ *Ibid*.
- ¹¹ Ibid., p. 10.

⁶ BC Orchardist, March 1973, p. 8.

⁷ Ibid., p. 8.

⁸ Hans Stoll, Vice-Chairman of the Fruit Board, quoted in *BC Orchardist*, March 1973, p. 8.

degree of dissatisfaction amongst growers with the current state of affairs was required.

The announcement of a provincial general election for September of 1972 would ultimately provide the opening that dissidents required to influence grower opinion towards their own end. For twenty years the land-use policies of the Social Credit administration had sustained the evolution of the BCFGA into a onedimensional marketing agency. In this period, the sanctity of private property and the virtues of continuous economic development had ensured that the sale of farmland was executed without any undue restrictions. However, the degraded ecosystems resulting from increased urban sprawl and industrial expansion had slowly begun to alter public opinion on environmental issues. A greater public awareness surrounding the integrity of the province's a gricultural and natural r esources ensured that their long-term preservation became a central facet of the campaign. The Socreds' platform was one that simply rested on their past record, the cornerstone of which proved to be a piece of legislation passed only the year before. The expropriation of four thousand acres of prime farmland on the urban fringe of Vancouver, needed to build the Roberts Bank Superport in 1967, had greatly discredited the government. Despite a surprisingly strong election victory in 1969, the Socreds felt it necessary by 1970 to placate public opinion regarding the Superport's construction by passing the Environmental and Land Use Act. Novel in its design, the Act subjected all regions of the province to the authority of a single Environment and Land Use Planning Committee (ELUC).¹² Due to the traditional form of cabinet employed by the Socreds, however, the committee was used only as an advisory body in a governing structure dominated by the executive. With no effective oversight of changing land-use patterns, the Socreds approach to preserving agricultural land actually accorded with that enunciated by the British Columbia Federation of Agriculture (BCFA).

The BCFA's basic position was that the unclouded ownership of farmland was fundamental to the long-term survival of the province's agricultural community.¹³ The Federation's position reflected the predominant view of its membership, who believed that it was farmers who had preserved the land in the first place, not society; and that state regulation would impose an undue hardship by essentially tying them to their land. Barring the ability to dispose of their property freely, farmers firmly believed it to be essential that any zoning plan be accompanied by a reasonable compensatory factor that took full account of underlying development rights.¹⁴ The unknown variable in the continuation of these ineffectual land-use controls was the opposition New Democratic Party (NDP).

The NDP entered the election favouring a direct bureaucratic regulation of the landscape through a land-zoning program. If elected, an NDP government would rely upon a land bank to provide liquidity in an inevitably soft real-estate market for

¹² Edward W. Manning and Sandra S. Eddy, *The Agricultural Land Reserves of British Columbia: An Impact Analysis*, Ottawa: Environment Canada, Lands Directorate, 1978, p. 9.

¹³ It is important to note that at this time Charles Bernhardt, an Okanagan fruit grower and Vice-President of the BCFGA, also headed the British Columbia Federation of Agriculture. Bernhardt would also shortly be elected to the presidency of the BCFGA at the 1973 Convention. It should not be surprising that there was a close affiliation between BCFGA and BCFA policy on this issue of farmland zoning.
¹⁴ British Columbia Federation of Agriculture, submission to Cabinet, quoted in *Country Life in British Columbia*, January,

¹⁴ British Columbia Federation of Agriculture, submission to Cabinet, quoted in *Country Life in British Columbia*, January, 1973, p. 2.

agriculturally zoned properties.¹⁵ While providing voters with a clear alternative to the governing Social Credit Party, the NDP's platform was problematic in that it did not specify how a land bank would determine the value of farmland.¹⁶ It is unlikely that it would have assessed the true market value of the land based on the potential for subdivision, or other non-agricultural uses, as such an approach would have undoubtedly bankrupted the province. For producers who had invested a lifetime of work in agriculture, usually with little else to show for their efforts than the value of the land itself, the NDP's proposed zoning plan was anathema. In the Okanagan, the electorate largely rejected the NDP and its policies, voting in overwhelming fashion to support the status quo by returning all three local Social Credit MLA's.¹⁷ The rest of the province was not as ready to return the incumbents and, in the end, the NDP won the election with thirty-eight of fifty-five seats.¹⁸ How the new administration proceeded to fulfill its election promise has become one of the defining moments in the agricultural history of British Columbia.

Less than a month into office, the new Minister of Agriculture, Dave Stupich, spoke before growers in Kelowna to inform them that the preservation of farmland was going to be the top priority of his department and government. As someone who openly supported the principle of compensation for expropriated development rights,

¹⁵ The NDP proposed a "land-zoning programme to set aside areas for agricultural production," and the creation of a land bank to "purchase existing and re-zoned agricultural land for lease to farmers on a long term basis." Baxter, p. 8. The land bank would be offered as a compensatory mechanism in lieu of the purchase of development rights.

¹⁶ Much has been made about an ideological debate that occurred within the NDP Cabinet between Dave Stupich, Minister of Agriculture and Bob Williams, Minister of Resources, and the issue of compensation towards farmers for the loss of development rights. Stupich is purported to have been a more traditional "socialist," favouring government control of the means of production and control of the economy. He was also reconciled to the view that government acquisition (i.e., the development value of land) required government compensation. Williams, however, influenced by the political philosophies of Henry George, believed that land was a public resource/asset not requiring compensation, and that zoning was a right of government. This view was reinforced by Williams' experience as a municipal planner with the Lower Mainland Regional Planning Board and its ability to zone land for agricultural use (i.e., the 1963-67 LMRPB farmland plan) without providing compensation. For more information, see Andrew Petter, "Sausage Making in British Columbia's NDP Government: The Creation of the Land Commission Act, August 1972 - April 1973," *BC Studies*, No. 65, Spring 1985.

¹⁷ Elections BC, http://www.elections.bc.ca/elections/electoral_history/30ge1972-1.html (November 9, 2001).

Stupich was not representative of a majority viewpoint within his party.¹⁹ The plan that the minister came to favour was one drafted by his own department but which had been rejected by the Socreds in 1971 in favour of the Environment and Land Use Act.²⁰ It advocated the active regulation of farmland, restricting usage to farm purposes only, while also endorsing the principle of development rights and the obligation upon government to compensate farmers adequately for the removal of said rights.²¹ The plan had been developed by the department to address the issues of urbanization in the Fraser Valley, but Stupich sought to have it applied broadly across the whole of the province.²² Irrespective of the minister's enthusiasm, there still remained the fact that cabinet approval was required and that not all of Stupich's colleagues shared his belief that compensation was a prerequisite for a successful plan. Other options existed, such as the commitments presented in the party's election platform towards a land bank. Of even more significance were the internal dynamics of policy formulation within the NDP cabinet.²³ Having opted to maintain the traditional cabinet-level structures of the previous administration, and lacking an authoritarian leader similar to Bennett, the NDP's policy agenda quickly dissipated to the point that the dominant factor in the decision making process became the political entrepreneurship of the more forceful ministers.²⁴

¹⁸ Ibid.

¹⁹ Petter, p. 12.

²⁰ Ibid., p. 7.

²¹ *Ibid*.

²² Ibid., p. 12.

²³ The definitive piece in this literature is Paul Tennant's "The NDP Government of British Columbia: Unaided Politicians in an Unaided Cabinet," Canadian Public Policy, Volume 3, Autumn 1977, pp. 489-503. The core of Tennant's argument is that by adopting the traditional form of Cabinet practiced by the Socreds, and in the absence of strong leadership, the NDP Cabinet became nothing more than a "bargaining centre" in which the political entrepreneurship of the more forceful Ministers decided the policy agenda. Other works include Petter's "Sausage Making," and Christopher Dunn's The Institutionalized Cabinet: Governing the Western Provinces, Kingston: McGill-Queen's University Press, 1995. ²⁴ Ibid., p. 492.

Seeking to ensure the adoption of his own plan, Stupich used the venue of the BCFA's Annual Convention in November of 1972 to make a formal announcement that would limit his government's leeway on the issue of farmland preservation. He declared that the NDP had not permitted any rezoning of farmland since taking office that September, and that anyone would be ill-advised to invest in farmland for the purposes of developing it for industrial or residential purposes.²⁵ The aftermath of the convention remarks was a rush by developers and farmers alike to have their land rezoned in anticipation of the government legislation that Stupich had so clearly hinted was coming. Chaos at the municipal level forced the cabinet to introduce an order-in-council on December 21st, 1972 freezing all rezoning applications — a move that Stupich was purportedly able to orchestrate by imparting to the cabinet the impression that the premier, who was out of town at the time, had endorsed the move.²⁶ To reverse the order-in-council at a later point would have been to jeopardize any hope of rationally preserving the province's farmland, and as Stupich's farmland plan was the only one on the table it became the de facto template – for better or worse.²⁷

The industry's response was immediate and uniform as the BCFGA quickly emerged as one of the more militant producer groups opposed to the general intent of the order-in-council. That the Association would threaten strikes and pickets in an attempt to overturn the farmland freeze remains wholly consistent with the unofficial industry policy in the 1960s of non-action on issues of urbanization. Following the

²⁵ Vancouver Sun, November 30, 1972, p. 1.

²⁶ Vancouver Sun, December 27, 1972, p. 2. See also, Petter, p. 13.

inability of the marketing structures to return to growers the minimum costs of production after the 1969 freeze, the unencumbered right to sell orchard land was all that was mitigating the plight of growers. Removing that right would expose the fact that, under the current conditions, orderly marketing was inadequate and the industry was non-viable. The aging demographic profile of the average orchardist in this period also ensured that the government's move would be a controversial one. Many of the growers who had been established after 1945 under either the Veterans Land Act, or through immigration to the valley, were now entering the twilight of their career as orchardists. Having invested the majority of their working lives into the land, a change in occupation for these growers was not a real alternative. After years of low returns, the one consolation remained the potential of the land to act as a retirement nest egg, providing a secure source of income in old age that had always remained elusive growing fruit. Scheduled almost a month to the day after the announcement of the order-in-council, the agenda of the 1973 BCFGA Convention was to be dominated by this debate surrounding the proposed restrictions on farmland and acceptable forms of compensation.

In keeping with tradition, the Minister of Agriculture opened the convention, providing the first major forum for the government in which to explain to producers the changes being proposed. While references were made to an improved crop insurance plan and a loan to the Keremeos packinghouse, the main thrust of Stupich's presentation was a plea for more time in which to formulate a comprehensive legislative package.²⁸ As he stated,

²⁸ BC Orchardist, February 1973, p. 12.

You haven't seen the legislation yet and the Cabinet hasn't seen it yet. I cannot give you the details. I have to go to the Cabinet myself and as I already told you the legislation is evolving.²⁹

To placate growers and forestall some of the protests planned against the farmland freeze, Stupich advised the convention that there would be plenty of opportunities for input and revisions. The NDP was a government that would listen and assist farmers; all they need do was approach the minister and he would work with them. Growers, nevertheless, remained skeptical of Stupich, passing two resolutions asserting the legitimacy of the BCFGA to play a leading role in shaping the government's policy.³⁰ That Bill 42, the *Land Commission Act*, was introduced the following month without any direct consultation from producer groups was a direct rebuke to growers and the marketing structures underpinning their industry. Two sections of the new act were especially galling: the newly constituted Land Commission had the authority to designate, without acquisition, lands suitable for long-term agricultural preservation; lands so designated would not be "injuriously affected by reason of the designation."³¹ During second and third reading of the bill, the only language the government was willing to revise dealt with confusion over the scope of the

 ²⁹ Dave S tupich addressing the British Columbia Fruit Growers' Association's 84th Annual Convention, January 16, 1973, quoted in *BC Orchardist*, February 1973, p. 12.
 ³⁰ A total of five specific resolutions were passed in relation to the issue of farmland preservation. They were: 1) The BCFGA

³⁰ A total of five specific resolutions were passed in relation to the issue of farmland preservation. They were: 1) The BCFGA demand full participation in, and proper compensation for any restrictions placed on the property of members; 2) the firm opposition of the greenbelt policy as it applies to orchard land unless it is accompanied by surtax protection raising imported fruit to the level of Canadian production; 3) the BCFGA press for adequate compensation or subsidy for all farm lands alienated from normal use; 4) the provincial government to be asked to consult farm organizations so that a satisfactory plan could be established before enacting any greenbelt legislation; and 5) the BCFGA to go on record as being opposed to arbitrary zoning of farm land unless legislation is accompanied by a reasonable compensatory factor of the produce of the land and for the development rights. *BC Orchardist*, February, 1973, p. 10.

³¹ Section 8 of the Land Commission Act originally gave the Commission the authority to designate agricultural lands, parks, greenbelts and land banks. This power, however, was seen as too broad in scope and was amended before second reading to apply strictly only on agricultural land. Section 16 was seen by many in the province as the end of private ownership of land, and became a liability for the NDP in its attempt to chart a somewhat moderate, reformist approach to governing the province. By designating land as not injuriously affected, the NDP had closed the door to the possibility of compensation for lost development rights. Fruit growers objected to this measure as it e rased the speculation inflated value of their land. David Baxter, The British Columbia Land Commission Act — A Review. Vancouver: Faculty of Commerce and Business Administration, UBC, Report No. 8, 1974, p. 12.

commission and its ability to expropriate lands.³² The willful omission of any form of economic subsidy or compensation for lost development rights only increased the pressure on growers to find a more profitable means of selling their fruit – thus pitting them against the illiberal restrictions of the single-desk and orderly marketing system.

Only following a massive demonstration on the steps of the legislature by farmers opposed to Bill 42 did the government finally choose to open a dialogue with producers regarding the best methods to strengthen their economic position under the Reserve.³³ The major initiative in this program was a joint study to be conducted by the Department of Agriculture in co-operation with the BCFA. Charged with assessing the long-term prospects of agriculture across the province, the study's recommendations provided the framework for the government's legislative agenda during the fall session. To address the more specific problems of the tree-fruit industry, where opposition to the Land Reserve was still white-hot, an agricultural economist was commissioned to evaluate the structures of the industry and recommend improvements. Finally, Stupich himself struck a Select Standing Committee on Agriculture (SSCA) to tour the province during the summer of 1973 to hear from producers who might not otherwise be afforded a voice in the consultative process. Ironically, the SSCA would actually fan tensions within the orchard landscape as it provided a forum that unwittingly linked the anticorporativism of the dissidents with the unrest felt by the general grower body following the passage of Bill 42. By convening a series of official hearings to discuss

³² Country Life in British Columbia, April 1973, p. 1.

³³ The demonstration was held on March 15, 1973.

the broad state of agriculture, the province gave dissidents not only an opportunity to renew their assault upon the single-desk, but an equal stature with legitimate industry representatives in doing so. Although dissidents would be hard pressed to win many converts to the position that BC Tree Fruits should be stripped of its preferred status as sole selling agent, experiences from 1958 h ad s hown that where they could be effective was in casting doubt. Two organizations, the United Fruit Growers of British Columbia and the Allied Growers of British Columbia, were formed specifically to a ddress the SSCA. Contrary to their assurances that they supported marketing boards and the rule of law, both United and Allied argued that BC Tree Fruits had become complacent, top-heavy, and structurally incapable of providing a decent return; their arguments scarcely masked their ultimate objective of doing away with the BC Fruit Board altogether.³⁴

Unlike 1958, however, the size and scope of the SSCA would not match that of the MacPhee Royal Commission, being of a relatively fixed duration and possessing a much broader mandate by touring the entire province. As a platform for dissent, the SSCA's brief interludes through the valley failed to provide the rebel organizations with the public exposure they sought. The limited hearing schedule also allowed newly pro-active industry supporters to stack meetings and ensure that individuals unwilling to live with any sort of marketing controls did not present an unbalanced viewpoint. Resistance from committee members to accept the dissidents' argument that the single-desk was, in fact, one of the problems facing agriculture in

³⁴ The United Fruit Growers platform actually stated that one of its objectives was "to assure that any licensed packer-shipper (co-op) will be able to sell to all buyers that are prepared to pay." In practice, this would merely legitimize the practice of peddling fruit to the coast, an illegal act most members of the two organizations willfully participated in. United Fruit Growers' of British Columbia, "Platform," quoted in *BC Orchardist*, May 1973, p. 8.

the Okanagan further reduced the effectiveness of the hearings. Many of the MLAs remained skeptical that a second or third selling agency would indeed improve efficiency and not simply create duplication and destructive competition.³⁵ Despite the initial legitimacy the SSCA hearings bestowed upon the dissidents and their organizations, the inability to further their cause within official channels led to the decision t o b egin working o utside of t he law, and against industry structures. The preferred method of the dissidents in manipulating public opinion would come to be "impromptu" farmers' markets in Vancouver (which really were not spontaneous events at all), and the subsequent coverage by the major media outlets of the coast. As cherries were the first crop of the season to mature, routinely the most profitable of all the fruit crops, and a relatively small crop by volume (making them easy to transport), their marketing b ecame a natural flashpoint b etween d issidents and the Fruit Board.

In early July, Allied Growers brazenly challenged the Fruit Board by having it announced in the Vancouver media that a convoy of trucks would be heading to the coast with a shipment of fresh cherries.³⁶ The use of the convoy was designed to exploit the Fruit Board's limited enforcement capabilities that had evolved over the years to cope with the odd disgruntled grower, or unsuspecting tourist hauling too much fruit out of the valley. When faced with non-co-operation, inspectors only proved able, with the aid of an RCMP officer to detain the lead vehicles, to halt a small percentage of the shipment.³⁷ Once in the Vancouver market, the cherries were sold at forty cents a pound, undercutting local retailers who had gone through

³⁵ Country Life in British Columbia, July 1973, pp. 1-14.

³⁶ Vancouver Province, July 5, 1973, p. 1.

legitimate channels and were selling marked BC Tree Fruits product at forty-nine cents per pound.³⁸ As such, the dissidents' claims of success, duly reported by the Vancouver media, were dubious at best. The ability of rebel growers to command a price as high as forty cents was entirely predicated on the presence of BC Tree Fruits regulating the flow of its cherries to market. Claims of a direct return of forty cents a pound to the grower were also misleading for this did not take into account the shipping and transit costs the dissidents absorbed in bringing their crop to the coast. Dealing in such small volumes these costs would have undoubtedly been far greater for the dissidents than for those growers opting to sell through legitimate channels. The favourable response to Allied's actions by the Vancouver consumers who purchased the cherries and the media who gave the event fair coverage underscored the ability of the dissidents to shape public opinion.

The Fruit Board's response was an attempt to shift the growing confrontation out of the glare of the media by seizing ten tons of cherries from an Allied Growers' packinghouse.³⁹ By impounding cherries in the Okanagan, dissidents would be denied the opportunity of exploiting possible in-transit confiscation of their crop to the media, or garnering public sympathy in Vancouver through cut-rate fruit prices. Without access to modern storage facilities, the Fruit Board's actions added a sense of urgency to the rebel organization's actions, as neither Allied nor United possessed the ability to prolong the life of their cherry crop. In desperation, an injunction preventing the Fruit Board from seizing, detaining or interfering with the sale of any

³⁷ Country Life in British Columbia, August 1973, p. 1.

³⁸ Ibid

³⁹ Vancouver Province, July 11, 1973, p. 1.

Allied Growers' fruit was obtained two days after the initial seizure.⁴⁰ Given the maturation of the cherries at this point, and the small window of opportunity afforded by the questionable arguments used to obtain the court order, United Fruit Growers moved to transport fifty tons of fruit quickly to Vancouver. By this point, however, a number of Lower Mainland wholesalers and canners with a long history of dealing with BC Tree Fruits were beginning to challenge the dissidents' claims in the media. In transporting such a high volume of fruit to the coast, the United Fruit Growers' had over-estimated the ability of the Vancouver farmers' markets to absorb their cherries. When approached by dissidents to purchase upwards of eight tons of unsold cherries at prices of twenty cents a pound following the weekend market, the wholesalers and canners reported the proposition directly to the media.⁴¹ That Allied Growers' approached BC Tree Fruits to dispose of 4.5 tons of its cherries a few days later lent credibility to the media reports about United Growers' earlier failure to dispose of their crop.⁴² To the industry leadership, the dissidents' request was seen as an admission of defeat and an indication that the resolve to challenge the Fruit Board was receding. Upon having Allied's injunction overturned, the Fruit Board and BC Tree Fruits attempted to regain the initiative in the "fruit war" by filing writs against the two rebel organizations and thirteen individuals seeking damages and injunctions preventing the continued transportation of regulated fruit.⁴³

⁴⁰ On appeal, it was determined that Allied's lawyer had failed to inform the presiding judge that federal legislation gave the Board power to regulate the inter-provincial sale of BC grown fruit, that Allied was not a license packinghouse, and that BC Tree Fruits was the sole designated agent to market BC fruit. *Ibid*.

⁴¹ Vancouver Province, July 17, 1973, p. 8.

⁴² Vancouver Province, July 18, 1973, p. 27.

⁴³ Vancouver Province, July 20, 1973, p. 10.

The Fruit Board's determination to pursue the dissidents through the court system could not have occurred at a more inopportune time, as the political resolve of the NDP to uphold the more illiberal restrictions of the single-desk was rapidly dissolving. The electoral defeat of the Socreds the previous year had cast the continued viability of the party as the conservative alternative to the NDP into question. The provincial Conservative and Liberal Parties were increasingly vying to assume Social Credit's mantle as the party of free enterprise.⁴⁴ In an attempt to thwart the resurgence of these traditional parties, W.A.C. Bennett stepped aside as the MLA for South-Okanagan in June of 1973. Bennett's strategy was to orchestrate the nomination of his own son to run in his place and assume the leadership, hopefully renewing the party in the process. The by-election that was called for early September would hold, therefore, serious ramifications for the future dynamic of party politics in the province.⁴⁵ Having won only two seats in the 1972 general election, the Conservatives were parachuting their leader into the riding in the hopes of capitalizing on the doubt surrounding the future of Social Credit. For the NDP, the possibility of two, maybe three strong right-wing candidates splitting the vote presented an outside chance for their candidate capturing a seat they had never had a legitimate chance of winning before. A defeat for both the Socreds and the Conservatives held further potential to splinter any organized opposition to the NDP through the next election campaign. As a result, during the course of the summer the government became increasingly sensitive to any situation that would elicit the types

⁴⁴ David Mitchell, W.A.C. Bennett and the Rise of British Columbia, Vancouver: Douglas & McIntyre, 1983, p. 426. ⁴⁵ Ibid., p. 430. of reactions from voters that had accompanied the introduction of Bill 42.⁴⁶ Supporting the fruit industry against the dissidents' open defiance was the manifestation of this dreaded scenario, as the government would invariably be called upon to suppress individual rights as BC Tree Fruits' and the Fruit Board's case made its way through the court system. Through its actions, the industry was unwittingly alienating the government support needed to underpin the legitimacy of the entire Tree Fruit Marketing Scheme.

After hearing arguments from both sides in the dispute, the presiding Supreme Court Justice issued his decision in early August. A bombshell, the Court sided with the dissidents, stating that nowhere in the *Natural Products Marketing Act* did it appear the Fruit Board had been given the right to appeal to the courts for injunctions.⁴⁷ The Justice further countered that, in his opinion, the board had not suffered any irreparable harm based on the actions of the dissidents.⁴⁸ The direct impact of the ruling closed one of the less confrontational avenues of recourse available to the industry. Section twelve of the *Natural Products Marketing Act* still allowed for the Fruit Board to impose fines and imprisonment on those contravening its regulations.⁴⁹ In appealing the justice's decision, as the penalties outlined under section twelve were much harsher than a restrictive injunction, the BCFGA commenced the first steps needed to begin fining and charging rebels. Members of the Association's executive approached what was thought to be a sympathetic provincial cabinet about issuing an order-in-council allowing inspectors,

48 Ibid.

⁴⁶ Dave Barrett and William Miller, Barrett: A Passionate Political Life, Vancouver: Douglas and McIntyre, 1995, p. 65.

⁴⁷ Vancouver Province, August 9, 1973, p. 7.

⁴⁹ Vancouver Province, August 10, 1973, p. 4.

accompanied by an RCMP officer, to forcibly enter any vehicle suspected of contravening board regulations.⁵⁰ This was an exercise needed to allow for the necessary evidence to be gathered and used against growers peddling fruit to the coast. In a fateful decision, the cabinet turned down the Association's request, a move that simultaneously scuttled the industry's appeal of the Supreme Court decision.⁵¹ Even had an injunction been granted on appeal, without the ability to search vehicles suspected of breaking the law, there would be no meaningful way to enforce board regulations. The BCFGA president aptly summed up the political overtones of the situation when he noted "the Cabinet is not interested in any controversy that would hold it up to criticism in this area."52

The outcome of the court challenges and cabinet appeals was obviously not what the industry had anticipated as enforcement mechanisms were now suppressed, allowing the illegal movement of fruit to the Vancouver market to resume uninterrupted. The only recourse left to the industry was the Fruit Board's consistent refusal to sanction the peddling by issuing licenses to the rebel organizations authorizing them to sell in Vancouver. The partisan maneuverings of the NDP throughout August had placed the industry in a highly untenable position. Slight thought had been given to the task of restoring the credibility and authority of the Fruit Board after the by-election.⁵³ Discredited in the media by dissidents and facing uncertain support within the grower body, the long-term functionality of the singledesk was increasingly in doubt. Even more problematic, the questionable status of

⁵⁰ The day after Mackoff's ruling Stupich went on record as being very concerned over what precedent had been established and stating he asked the Attorney General, Alex MacDonald, to review the judgment. Vancouver Sun, August 17, 1973, p. 17. ⁵¹ Ibid. ⁵² Ibid.

the BCFGA as a representative voice for growers was jeopardizing the NDP's major legislative package for the fall session of the legislature.

The cumulative result of the work done by the SSCA, the BCFA, and the Department of Agriculture was the Farm Income Assurance (FIA) Act, a companion piece of legislation to the Land Commission Act. Income assurance was designed to raise commodity revenues to approximate more closely the production costs faced by farmers, without correspondingly raising the prices paid by consumers at the local supermarket.⁵⁴ The legislation did come with a wrinkle as it had been crafted in such a way as to allow the government to apply the program on a commodity-bycommodity basis, tailoring each application to the specific needs of a given producer group. Traditionally, the BCFGA as the democratic representation of the grower body would have been the natural voice for the tree-fruit industry. The fruit wars, however, had re-exposed old divisions amongst growers, precluding the Association from assuming such a mantle. The ever-quixotic Minister of Agriculture had even taken to stating publicly that he didn't "know who they (the BCFGA Executive) represent anymore."⁵⁵ Without a definitive reassertion of the grower will, any truly final resolution to the fate of the BCFGA, rebel organizations, the continued operation of the single-desk, and the future of the orchard landscape would be unattainable.

55 Vancouver Sun, November 6, 1973, p. 8.

³³ By-election results: Bill Bennett (Social Credit) 9,726 - Bryan McIver (NDP) 6,390 - Derril Warren (PC) 6,023 - John Dyck (Liberal) 2,434. Source: Elections BC, p. 319. Wendy Holm, The Agricultural Land Reserve in the Okanagan: Renewing the Public Policy Prescription, (report submitted

to the B.C. Fruit Growers Association), Bowen Island: W.R. Holm and Associates, 1997, p. 18.

Away from the glare of the media spotlight that had engulfed other aspects of the industry, Dr. S.C. Hudson had spent the summer months quietly evaluating the structures involved in the packing and marketing of Okanagan fruit. Charged with finding ways to restore a degree of profitability to growers, Hudson's final report came to champion the packinghouse reforms and amalgamations Dean MacPhee had recommended fifteen years earlier.⁵⁶ He believed that a major round of consolidation was required in order to cut excess capacity and cost at the local level.⁵⁷ On the issue of the single-desk, with forty-eight percent of BC Tree Fruits sales going to other provinces, and thirty-three percent to offshore markets, Hudson stated that only a central marketing agency had the capacity to do a satisfactory job of disposing of the entire Okanagan crop.⁵⁸ Having stated his support for the existing system, Hudson went on to comment on the more troubling aspects of his study, including

growers [who] have been making a deliberate attempt to destroy the confidence of other growers and the general public in the concept of orderly marketing as developed in B.C. through the circulation of statements, many of which are half-truths at best.⁵⁹

To resolve the atmosphere of uncertainty, Hudson recommended a plebiscite be arranged in order for growers to confirm their support for the continuation of a centrally controlled industry.⁶⁰ W hen the Report was released in late September it was to be the plebiscite, the twenty-fifth of twenty-six recommendations, that drew

⁵⁶ MacPhee had originally proposed two approaches to amalgamating packinghouses. One was to create four dominant packinghouses in each of the Okanagan's four geographic regions. The other option was to amalgamate all the packinghouses into one single authority. Hudson formulated his proposal for packinghouse reform as a combination of MacPhee's proposals. He favoured a central packing authority to buy, build, sell, develop and operate fruit marketing facilities, with the creation of new packing associations in each of the Okanagan's geographic regions. British Columbia, Department of Agriculture, *An Economic Study of the Tree Fruit Industry of British Columbia*, S.C. Hudson, Victoria: Department of Agriculture, 1973, pp. 114-116.

⁵⁷ Ibid., p. 94.

⁵⁸ Ibid.

⁵⁹ Ibid.

the attention of all sides in the fruit w ar.⁶¹ S imilar to the reception of MacPhee's Report, Hudson's confirmation of central-selling and proposed industry reorganizations was being steadily pushed aside by the all-consuming drama of the vote on the single-desk.

With the support of both the industry leadership and the dissident organizations, Stupich tabled a motion in the legislature in early November, after the Farm Income Assurance Act had received final reading, seeking an endorsement for the plebiscite.⁶² In defining the implications of the vote. Stupich underscored the significance of the BCFGA to the government's legislative agenda, giving growers a stark appraisal of what a rejection of the single-desk would entail. Through the medium of the press, the minister stated his concern that, given the BCFGA's onedimensional evolution into a marketing agency welded to the single-desk, a vote against central selling would, in effect, abolish the Association.⁶³ In such an eventuality, the government would have no organization representing growers with which to negotiate the establishment of the farm income plan.⁶⁴ A defeat for the Association would have also marked a fundamental turning point in the history of the orchard landscape, for the association was an extension of the growers' accommodation to the limitations of the natural environment. Without some form of economic structure to buttress growers from the vicissitudes of the natural, and a rapidly expanding urban, environment, the small-scale family orchard would recede

⁶¹ The Vancouver Sun reported on September 26th that both Hans Rhenisch and the Executive of the BCFGA had endorsed Hudson's call for a plebiscite. Both sides confidently predicted victory as Rhenisch boldly claimed that any vote would go 60% in favour of his group. *Vancouver Sun*, September 26, 1973, p. 39.

⁶² The Farm Income Assurance Act received third and final reading in the Legislature on October 17, 1973. Vancouver Sun, October 18, 1973. p. 10. The motion for the plebiscite received approval with 39 members of the House voting for, and 5 against. Hansard, November 2, 1973. p. 1422. & Vancouver Sun, November 3, 1973, p. 10.

³³ Vancouver Sun, November 8, 1973, p. 8.

from the face of the valley. The vote on December 12th proved almost anti-climactic. Information meetings had been conducted throughout the valley, and the dissidents, such as Rhenisch, made occasional statements to the media expressing concern over the wording of the plebiscite question.⁶⁵ The final results conveyed the uncertainty facing the fruit industry as only sixty-two percent of growers opted to retain the single-desk.⁶⁶ This was a victory for the BCFGA, but with support well below the seventy-five percent originally required under the Natural Products Marketing Act to have the Tree-Fruit Marketing Scheme enacted. What should have been the last salvo in the fruit war seemed to have been fired, and apart from the obvious need to restructure and address grower concern, the entrenched structures of the industry had emerged victorious.

Unfortunately, victory would prove to be hollow. Even with almost thirty years of hindsight, all that remains clear is that six months after the vote, on July 25, 1974, the course of the fruit industry and the fate of the orchard landscape were forever changed. The Fruit Board issued a regulation that re-affirmed BC Tree Fruits as the sole selling agency in the valley, yet permitted for the first time the operation of independent grower marketers.⁶⁷ Section three of the order specifically provided that;

> Any grower or other person marketing any regulated product other than interprovincial and export trade may elect not to market the same through B.C. Tree Fruits Limited, provided this section shall not impair or affect contractual obligations with shippers or others with respect to such regulated product or the marketing of it.68

⁶⁵ Vancouver Sun, December 20, 1973, p. 15.

⁶⁶ Ibid.

⁶⁷ British Columbia, Supreme Court, Regina v. British Columbia Fruit Growers' Association, Kelowna, B.C., June 28, 1985. (decision), p. 6. ⁶⁸ Ibid.

To the older generation of growers who had spent a lifetime defending the orderly marketing system, the move was akin to a gutting of the BCFGA.⁶⁹ Dissidents had attained the final victory by overturning the majority will of the growers. The official history of the BCFGA, written on the centennial of the association in 1989, records a variety of reasons that led to the policy reversal that allowed the dissidents to achieve their ends. Inflation caused by the oil embargo, a public backlash against marketing boards, and many other factors are identified, but the most prominence is reserved for the prevailing "political climate".⁷⁰ As the historians wrote:

The Fruit Board needed stronger enforcement powers for the upcoming 1974 growing season, but ... when it became apparent that the requisite amendments [to the Natural Products Marketing Act] would not be made "due to the political climate that prevailed," the Fruit Board decided to relinquish most of it regulatory powers over the interprovincial marketing of fruit.⁷¹

Testimony given by Stupich during court hearings into an alleged combine to limit dissident access to storage facilities in the mid-1980s seemed to corroborate this view. Based on the former minister's statement before the court, the presiding justice summarized that the NDP government had even made the provisions of the *Farm Income Assurance Act* contingent upon the industry allowing growers to opt out of compulsory single-desk selling "without interference."⁷² One can only assume that the surprising outcome of the plebiscite changed the dynamics of government support for the industry. With a less than convincing m andate from growers, it is probable that the NDP became reluctant to enforce the more illiberal aspects of the single-desk for the 1974 crop year. To qualify for the government assistance a grower had to belong to the BCFGA; no provisions were made for those who opted

⁶⁹ Arthur R. Garrish, "The Orderly Marketing System," Okanagan Historical Society, 50th Report, 1986, p. 63.

⁷⁰ David Dendy and Kathleen M. Kyle, A Fruitful Century: The British Columbia Fruit Growers' Association 1889-1989, Joan McIntyre (editor), Kelowna: British Columbia Fruit Growers Association, 1990, p. 132.

for independence, as dissidents had made it clear throughout 1973 they could do better financially outside of the Association.⁷³ Regardless, the removal of the compulsory aspect to the orderly marketing system effectively ended the marketing structure used for over thirty years to ensure the viability of the orchard landscape and of the individual grower.

As a substitute for the legally binding requirements of the Tree Fruit Marketing Scheme, the FIA Act proved an unmitigated disaster. In what became known as the Bernhardt Doctrine, growers were told repeatedly that they could not have it both ways: they could not sell their fruit outside of industry structures and at the same time claim membership in the BCFGA, accessing the provisions of income assurance.⁷⁴ Without blanket regulation of all fruit leaving the valley, however, policing such an ordinance was virtually impossible. Growers determined to exploit the system could either under-report or simply not deliver their forecasted tonnage to the local packinghouse, while employing a network of roadside stands and independent truckers to move the remaining volume out of the Okanagan.⁷⁵ To be caught was to risk expulsion from the Association, but the logistics of investigating a suspected "fruitlegger" or determining the origin of fruit moving out of the valley made it difficult for the industry to enforce the rules.⁷⁶ After thirty-five years of mandatory single-desk selling, the industry once again had to contend with a reality in which, given a choice, many growers would always find it to their personal

⁷¹ *Ibid.*, pp. 132-133.

⁷² Supreme Court, p. 7.

⁷³ *Ibid.*, p. 8.

⁷⁴ It was known as the Bernhardt Doctrine after Charlie Bernhardt, President of the BCFGA at the time, who repeated its tenets so often that they became associated with man on an individual level. Garrish, p. 63.

⁷⁵ David Dendy and Kathleen Kyle, p. 133.

⁷⁶ The term "fruitlegging" or "fruit-rustling" was given by the industry to individuals who misused their membership in the BCFGA this way. *Ibid.*, p. 134.

advantage to be half-in and half-out of any co-operatively based marketing venture. The actions of these growers were far more destructive than the continued presence of dissidents, who shunned the system all together. Unable to adequately forecast the amount of fruit to be handled, packinghouses invariably miscalculated product grade and supply requirements – ultimately passing the increased cost of doing so on to their membership. The sales agency was forced to contend with a corresponding reduction in the quality of fruit, the possible scenario of not filling all orders, and the deflationary pressures resulting from unforeseen tonnage flooding the local fresh fruit market. All these developments occurred against the backdrop of a government assistance program that was intended to address chronically low grower returns. In the span of nineteen months, almost two generations of a collective struggle to bring stability to the orchard unit and legitimacy to the conception of an interior fruit industry was erased.

Conclusion

The Valley has saddled the country with an immense surplus of fruit for which an outlet must be found, either at home or abroad. By whatever means this is done, it must be based on sound economic principles, which when put into practice will afford the grower a livelihood. Until that is done, the final installment of the history of the fruit industry in the Okanagan Valley can not be written.¹

Margaret Ormsby

The abandonment of the orderly marketing system marked the conclusion to a sad and divisive period in the history of the Okanagan fruit industry. Confronted by the fallout from successive freezes in the late 1960s, a significant number of growers once again became disillusioned with the marketing structures utilized to sell their fruit. The single-desk and orderly marketing system had, after all, been intended to buffer the average grower against the vicissitudes of the open market place, providing, in turn, the economic stability that a fragmented orchard landscape had never been capable of generating. This had been the motivating force behind the removal of individual rights from the marketing process in the 1920s and 1930s: the conviction that only through collective action could prosperity be achieved. Unfortunately, in periods of abnormal climactic conditions such as the events that occurred between 1949-55, this marketing system could, and did, break down, unable on o ccasion to r eturn t o producers even the m inimum costs of production. The causal factors behind these failings could be traced directly back to the

¹ Margaret Ormsby, "Fruit Marketing in the Okanagan Valley of British Columbia," Agricultural History, Volume 9, No. 2,

development of a large-scale, intensive fruit-growing district in the Okanagan, and the question of whether such a project had been an ideal utilization of the land base. Both local boosters and the provincial government had attempted to supersede the limitations of the natural environment in erecting their respective orchard communities. Subsequently condemned to seek stability through local institutions and organizations extraneous of the orchard unit, growers ultimately resolved to pursue a form of mandatory central selling following a generation of financial bloodletting exacerbated by an uncoordinated, voluntary approach to marketing. Despite the indisputable successes of the single-desk and orderly marketing throughout the 1940s, they were only ever coping mechanisms: the tools needed to protect and further the interests of all growers in the production and marketing of their fruit in an inhospitable natural environment.

Unfortunately, active regulation of the market through these mechanisms did not allow growers to become masters of their surroundings. The single-desk simply moderated the advantages and disadvantages, created wholly by chance, between orchards in the marketing and production of fruit. Being a compromise solution itself, the social and economic networks that came to constitute the "industry" after 1939 were undoubtedly compelled to exercise flexibility on the issue of orchard utilization during periods of price volatility. Despite all the moves towards cooperation, it would be the orchard unit that remained under individual control throughout this period. An ironic anachronism to some,² the unencumbered right of

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April 1935, p. 97. ² Colin Reeves asserts that in order for commercial orcharding to be economically viable in the Kelowna area, it was necessary to nullify the adverse affects of a dispersed marketing system. This was achieved through the creation of large co-operative

growers to dispose of their property in any manner they deemed appropriate came to be an integral component in the continued operation and acceptance of the singledesk. This was a dynamic shaped by a local environment in which any degree of autonomy returned to the individual in marketing would allow inequalities in location or production to once again be exploited to the detriment of the entire industry. If the single-desk and orderly marketing were to succeed as a mandatory, co-operative venture, no member could have a privilege such as selling to the market early or avoiding the collective costs of marketing. Confined to upholding a rigid and inflexible marketing structure and confronted by a natural landscape that made the consistent, year-over-year return of a basic level of income to growers increasingly difficult after 1949, the unencumbered sale of orchard land became a safety valve. The sale of orchards effectively deflected any serious criticisms or re-evaluations concerning the BCFGA's one-dimensional evolution.

The selling of orchard land effectively muted the appeal of reformers and dissidents seeking broad, wholesale changes to existing industry hierarchies in the 1950s and 1960s. The failure of dissidents to loosen the monopoly status of BC Tree Fruits, or of reformers to overthrow the incumbent leadership of the industry, must be weighed against the slow and steady erosion of the orchard landscape in this same period. The composition of the general grower body was one still dominated by individuals who could well remember the economic turmoil that had precipitated the collapse of the Associated Growers in 1923 and the dark days of the "cent-a-pound-

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organizations. He then argues that it is ironic, if not surprising that Kelowna can only be understood as an extension of cooperative grower control over all aspects of the industry except the orchards themselves. See Colin Reeves, "The Establishment of the Kelowna Orcharding Area: A Study of Accommodation to Site and Location," Unpublished MA Thesis, University of

or-on-the-ground" strike a decade later. Battling the Fruit Board for more autonomy was perceived by this generation as a zero-sum game, explaining the higher levels of support shown to the reformist Penticton Ginger Group versus the rebel Canadian Fruit Growers' Association. The option of continuing to subdivide one's holdings in order to stem the losses from the orchard operation remained a far more palatable option than illegal peddling, and one not initially at cross-purposes with the long-term viability of the fruit industry. These practices, however, would indeed soon become untenable, as the valley was subjected to a new dynamic in land-use trends: urbanization.

In a sense, the final report of the MacPhee R oyal C ommission r eleased in 1958 marked a pivotal and final opportunity for the industry to attempt to reverse the course it had embarked upon. The Hope-Princeton Highway, connecting the important Oliver-Osoyoos fruit district with the large urban centers of the coast, had already been open for a decade and was slowly transforming traditional marketing channels to the detriment of BC Tree Fruits and the Fruit Board. With improved vehicle access came a new opportunity for growers fronting some of the valley's busiest motorways to service the new traffic through roadside stands. While the penetration of these grower-owned outlets was limited, and their legality hotly contested in the 1950s, the completion of the Trans-Canada Highway was only a mere four years away. After 1962, the valley would be opened to all manner of vehicle traffic coming in from the Prairies, followed shortly thereafter by a new wave of economic growth and diversification. Meaningful engagement of MacPhee's

findings on orchard size, economical units, and packinghouse amalgamation may have helped reverse the erosion of the orchard landscape that had already seen Salmon Arm and the Kootenays no longer producing commercially meaningful volumes of fruit. That the BCFGA (and, by extension all growers) allowed debate following MacPhee's findings to be polarized by dissidents seeking to overthrow the marketing system obscures the centrality of unfettered land-use decisions to the continued operation of the single-desk. The more apparent that the shortcomings of the marketing system became after 1958, the more growers looked towards their land holdings as retirement nest eggs. MacPhee's attempt, therefore, to define a minimum orchard size below which production would not be economically feasible threatened entrenched preconceptions within the industry. The BCFGA had been created to bring stability to the small-scale, family run orchard, and had presided over the unregulated subdivision of orchards throughout the 1940s and 1950s. Its democratic processes were dominated by growers operating on smaller acreages, growers who continued to believe that their orchards were viable, if for no other reason than to maintain the property value. The single-desk was an integral part of this system, and for the BCFGA to actively engage the issue of orchard size and land-use patterns would have likely precipitated a re-evaluation of the entire marketing structure. The larger, corporate orchards of Washington State operated their own packinghouses, marketing their fruit directly. If the Okanagan fruit industry was to move towards a similar model, then it stood to reason that the commitment to the single-desk and orderly marketing would need to be re-thought.

This inability to conduct a wider-ranging and more meaningful debate on the future of the industry had far-reaching consequences for the maintenance of central selling. The turmoil and uncertainty that accompanied the two freezes of the early 1950s provided a more conducive atmosphere for the re-emergence of a small but vocal minority of growers who had never been able to accept the more illiberal requirements of the single-desk. In the early history of the fruit industry this group had been composed of ardent individualists, growers who possessed practical experience marketing their produce and who preferred to rely upon their own initiative over any collective venture. Following the implementation of BC Tree Fruits as the sole selling agency, the composition of these dissidents had been changing. An influx of immigration during and after the war along with a general turnover in the overall demographic profile of growers combined to bring people into the valley who were unaware of the industry's history, and who had a hard time accepting the restrictions of central selling. Most of these new-generation dissidents had come to the Okanagan after 1940, and none had any practical experience marketing their own crop. Neither did these growers realize or accept that the prices they did receive from bootlegging fruit to the coast bore a direct correlation to the operation of the orderly marketing system - a mechanism they did not fully understand. Although they were relegated to the margins of the industry in the early 1960s, it was almost inevitable that, following the next short-term income crisis, there would be a return of dissent.

Aiding the dissidents' cause was the economic boom that had slowly started to reshape the face of the valley by the end of the 1960s. The Trans-Canada highway was already transforming the Okanagan into a desirable summer tourist destination, stimulating the emergence of a service sector geared to the expanding tourist industry. Federally sponsored rural development programs designed to encourage industrial development and off-farm employment opportunities were also diversifying the valley's economy away from agriculture. In a narrow, mountain valley such as the Okanagan, the limited land base precipitated an intense competition for land, one in which producers were poorly positioned to compete. As growers struggled after consecutive freezes between 1965 and 1969, the temptation to sell into an inflated real-estate market being sustained by urban, residential demand proved too great. The industry's marketing structures had begun to falter following the 1965 freeze, eventually to fail in 1970 as cash transfers, expected by growers from the sales agency, never materialized at local packinghouses. An important means of exiting the industry following the '65 freeze, the continued sale of orchard land became crucial entering the new decade. Not surprisingly, dissidents re-emerged to exploit this grower unrest, but for two years their message remained relatively muted. Apart from a minor increase in the number of growers illegally bootlegging fruit to the coast, the unencumbered sale of orchard land was once again buttressing the continued operation of the single-desk.

The broader implications of urbanization were ultimately realized in 1972, when a newly elected provincial government began the process of instituting farreaching restrictions on the conversion of farmland throughout British Columbia. This inhibited the sale of orchard 1 and in the Okanagan, closing what h ad b een a viable avenue of operation for many growers. The subsequent unrest amongst the

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growers provided fertile ground for the dissidents to push for a relaxation of the rules surrounding the single-desk. As a result of its one-dimensional evolution, the BCFGA was poorly positioned to mount a convincing counter-campaign to these dissidents, especially when most growers were suffering financially due to successive frosts. The result was a usurpation of power by the provincial government through the *Land Commission Act*, which provided the government control over the disposition of land; and its companion piece of legislation the *Farm Income Assurance Act*, which provided growers with a guaranteed income. The only argument the association could make was that it had the rule of law on its side, but even this claim proved futile. Through reckless inaction and political calculation, the provincial government abandoned the Fruit Board in its enforcement of the *Natural Products Marketing Act*, denying the industry one of the structures it had operated on for over thirty years.

Following the defeat of the New Democratic Party government in 1975, the province's commitment to growers vis-à-vis subsidies and other economic transfers slowly receded. By the mid-1980s the provincial government began reducing coverage under the act, and in 1993 the subsidies were ended all together – prompting the BCFGA to call for the abolition of the Agricultural Land Reserve. Currently, any public assistance made available to growers is done without any requirement that eligibility be dependent on participation in the Association. This has resulted in a precipitous drop in membership: where there was once over three thousand growers belonging to the BCFGA, in 2001 that number was slightly more

than six hundred.³ The decline has been even more precipitous in the short-term as membership declined by two hundred between 1999 and 2000, and registered a 50 percent decline over the previous seven years.⁴ Orchard acreage has suffered a similar drop, decreasing from twenty-six thousand acres in 1993, to about nineteen thousand in 2000, of which BCFGA members only farm ten thousand acres.⁵

In the end, what conclusions are there to be drawn from the fate of the Okanagan fruit growers and their system of central selling and orderly marketing? It does remain somewhat ironic that these growers, as one of the first commodity groups in Canada to avail themselves of the marketing legislation introduced in the 1920s and 1930s, can now be looked upon as having provided an early roadmap to the challenges which other regulated agricultural industries now experience. The issue of excessive institutionalization or specialization of the marketing organization, along with an accompanying and persistent avoidance of broader issues that face producers, which weakened the BCFGA throughout the 1960s, is a charge that has routinely been made against the Canadian Wheat Board (CWB) in recent years.⁶ The CWB's ability to deal with "dissidents," and others opposed to its dominant position within the marketplace, may well depend on an avoidance of the organizational failure that beset the BCFGA. When further looking at events in the Okanagan, it is important to understand that urban development is not the only form of land-use change that c an b e d etrimental t o a marketing system. Changing land-use patterns

⁵ Ibid.

³ Oliver Chronicle, "Falling BCFGA membership reaching crisis point," January 31, 2000, http://www.oliverchronicle.com/2000_31.htm (January 22, 2002).

⁴ The 50 percent decline over seven years would be for the period 1993-2000. *Ibid.*

⁶ For more info on this topic please refer to Hartley Furtan and Andy Schmitz's *The Canadian Wheat Board: Marketing in the New Millennium* (2000).

and growing disparity among producers within an entirely rural setting can have the same impact, as was evident in Saskatchewan throughout the 1990s as the profitability of hog production spurred the creation of anomalous, large-scale, intensive hog operations. The marketing needs of these new operators were deemed to differ radically from those of more traditional, small-scale hog producers.⁷ As a result, the province's hog marketing system was dismantled in the late 1990s, and all Prairie h og p roducers n ow find themselves confronted with the same challenge of competing in an unregulated marketplace, for better or worse.

The final cautionary tale to be drawn from the fruit growers is the impact that a small but vocal minority of dissidents can have on the long-term success of a controlled marketing system. It can easily be argued that all marketing schemes are subject to this kind of pressure, but in a British Columbia context probably two of the more susceptible commodity groups are found in the Fraser Valley close to the large urban market of Vancouver and the many media outlets of the province. Every few years disgruntled producers can be relied upon to air their grievances concerning the marketing boards before the media, and occasionally a more organized opposition of dissidents will coalesce with the intent of doing away with all restrictions. Generally, debate is framed in the context of a monopolistic entity restricting access to a foodstuff to the detriment of the average consumer. Such a discourse, however, ignores the benefits of regulation including quality control, regional equity, and promoting a healthy domestic agricultural industry. Where such

⁷ Most of the hog output in Saskatchewan now comes from farms with over 4,000 animals, while only four percent of the pork originates on farms with less then 100 hogs – even though farms operating at this level account for over 2,000 producers. The potential markets for these diverse players differed substantially, and the single desk system was deemed incapable of meeting

collective benefits may be present, it is important that a minority of producers not drive the removal of a marketing scheme. The case of the land reserve in the 1970s suggests it may be particularly dangerous when agricultural policy is made abruptly by a government that is out of touch with agricultural or regional realities, and subject to pressure from a small but vocal group of producers.

The story of the BCFGA is important because it was one of the first mandated collective marketing schemes; but it is only a single case. It could be that the BCFGA's story was shaped by dynamics peculiar to its region, market, and membership. Only similar research on other cases of orderly marketing, sensitive to regional and environmental and other factors, could determine how widely the same considerations applied. This thesis is only a beginning. Too little research has been done on the processes of collective marketing and its breakdown into environmental or institutional relationships.

Over sixty-five years ago, the historian Margaret Ormsby, the child of a fruit grower herself, suggested that the final installment in the history of the Okanagan fruit industry would only be written with the institution of an equitable and economically sound marketing system. For thirty years, the single-desk and orderly marketing, the "product of so much blood, sweat, toil and tears" seemed to affirm her assertion.⁸ Growers had found a means in which to organize their industry, running it in a manner that tried to benefit everyone. But changes have indeed taken place, and

everyone's needs. Frontier Centre for Public Policy, "Saskatchewan Restructures Pork," November 1997,

http://www.fcpp.org/publications/policy_notes/new_economy/marketing_boards/nov1097.html (April 1, 2002).

⁸ Arthur Garrish, "The Demise of the Orderly Marketing System," Okanagan Historical Society, 50th Report, 1986, pp. 60-61.

the final installment in the history of the fruit growers will most likely be one that few had ever predicted.

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Appendix A

Harold Rhenisch. "The Fruit Wars." Out of the Interior: The Lost Country, Vancouver: Cacanadada, 1993, pp. 109-110.

There was one thin, wormy, shepherd-cross of a bitch, too, and that was the worst, abandoned by two workers from Quebec, FLQ sympathisers, on the run from the RCMP.

My brother and I had been working sixty miles north that night, in Westbank, sorting and packing apples in the only storage that would rent us space. At midnight we loaded the fruit into the semi-trailer – under cover of darkness so the fruit police would not find us and confiscate the load. By that time, my father was doing his best to destroy the entire co-operative fruit-marketing system of British Columbia.

The system dated back to 1936, the result of an industry with its roots set as deep in real-estate fraud as in commerce and the possibilities of building a new country – the entire bottom of Okanagan Lake, between Summerland, Naramata, and Penticton, for instance, carved up into ten acre lots and sold sight unseen, to prairie people – as an escape from the cold. And the land wasn't cheap: in 1909, orchard lots in K eremeos sold for \$1,000 an acre at 9 p ercent interest, p ayable over three years – for orchards which themselves would not pay a return before1919. Similarly, the irrigation systems, built hurriedly by the real estate companies, were so inadequate that in 1914 the B.C. government nearly went bankrupt paying to upgrade

the systems in Oliver and Osoyoss. In short, it was industry in which thousands of inexperienced, heavily indebted orchardists were producing fruit wholly at the mercy of their buyers. Fruit unsold within a few days would be worthless, so the growers continually bid against each other and so destroyed their prices. In the end, understandably, they begged the government to force everyone, including the independently owned packing houses into one large co-operative system. In this way they managed to safe-guard their industry for another thirty years. By the sixties however, the system had become old and stale. Many farmers were being forced out of business. With no accountability for quality and orientation to market forces, many farmers were being forced out of business. My father wanted to get paid for his fruit, and in his despair, with all legitimate channels closed to him, he chose to do it under cover of darkness.

We started home from Westbank at 2:30 a.m. At 4:30, we ran out of gas, so we started running. At 5:30 we finally stumbled home, walked past the dog in the last convulsions of strychnine poisoning, and into the house. Dad was waiting up for us, sleepless in his guilt. He ad left as at 2:30 the afternoon before. We wolfed down some bread and sausage, then went back outside to have a look at the dog but she was dead.

<u>Appendix B^{\dagger} </u>

Table #1 - Okanagan Land Use, by Region, 1958-1981

	1958		1969		1981	
LAND USE [*]	<u>ha</u>	<u>%</u>	<u>ha</u>	<u>%</u>	ha	<u>%</u>
Tree Fruits	1,424	11	1,004	8	714	6
Vineyards	15	0	18	0	35	0
Nurseries	0	0	0	0	0	0
Annual Crops	1,836	14	885	7	446	3
Forage	3,659	29	4,732	37	4,614	36
Grazing	3,866	30	3,660	29	2,461	19
Argi. Site	18	1	71	1	105	1
Other Agri.	84	1	91	1	37	0
Forestry	1	0	15	0	46	0
Conservation	72	1	50	0	49	0
Recreation	104	1	125	1	413	3
Urban Core	296	2	302	2	302	2
Residential	284	2	573	4	1,540	12
Commercial	420	3	479	4	803	6
Extraction	24	0	33	0	43	0
Idle	214	2	205	2	286	2
No Activity	305	2	332	3	624	5
In Transition	<u>30</u>	<u>0</u>	<u>188</u>	<u>1</u>	244	<u>2</u>
Total	12,765	(100)	12,765	(100)	12,765	(100)

North Okanagan

LAND USE <u>%</u> <u>%</u> <u>%</u> ha ha ha **Tree Fruits** 5,879 4,932 6,569 Vineyards Nurseries Annual Crops 1,350 Forage 5,889 6,171 4,862 Grazing 12,370 11,789 9,054 Argi. Site Other Agri. Forestry 1,906 Conservation Recreation 1,371 Urban Core 4,314 Residential 1,326 1,903 Commercial Extraction Idle No Activity 2,095 2,679 2,550 <u>3</u> In Transition <u>146</u> <u>0</u> <u>726</u> <u>2</u> <u>831</u> Total (100) 33,172 (100) 33,172 (100) 33,172

Central Okanagan

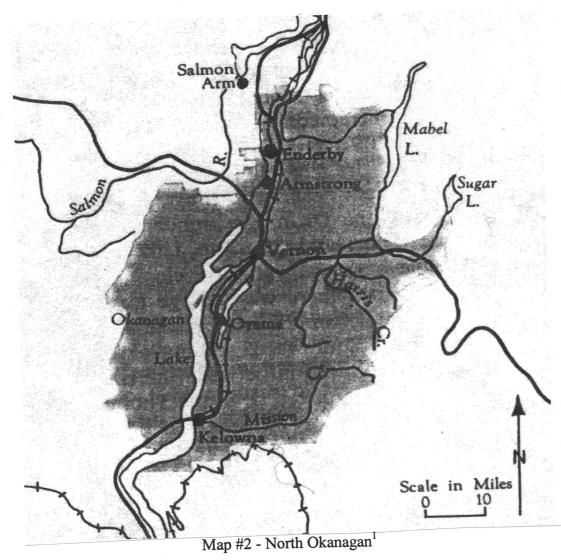
Okanagan-Similkameen

	1958		1969		1981	
LAND USE	<u>ha</u>	<u>%</u>	<u>ha</u>	<u>%</u>	<u>ha</u>	<u>%</u> 16
Tree Fruits	7,355	19	6,856	18	6,237	16
Vineyards	8	0	535	1	928	2
Nurseries	0	0	0	0	0	0
Annual Crops	164	0	341	1	405	1
Forage	5,059	13	4,420	12	4,942	13
Grazing	17,528	46	14,908	39	9,718	26
Argi. Site	68	0	147	. 0	183	0
Other Agri.	260	1	438	1	388	1
Forestry	41	0	171	0	46	0
Conservation	236	1	229	1	274	1
Recreation	152	0	633	2	843	2
Urban Core	537	1	556	1	556	1
Residential	445	1	901	2	2,201	6
Commercial	233	0	402	1	769	2
Extraction	105	0	168	0	177	0
Idle	282	1	509	1 -	804	2
No Activity	5,312	14	6,439	17	9,251	24
In Transition	255	<u>1</u>	<u>389</u>	<u>1</u>	<u>318</u>	<u>1</u>
Total	38,042	(100)	38,042	(100)	38,042	(100)

[†] The information presented in these tables is derived from information appearing in Jeannette Boyer's Human Response to Frost Hazards in the Orchard Industry, Okanagan Valley, British Columbia, Waterloo: Department of Geography, University of Waterloo, 1977, p. 136. *Numbers are based on primary activities; up to 20% could be complexed with a secondary activity.

<u>Appendix C^{*}</u>

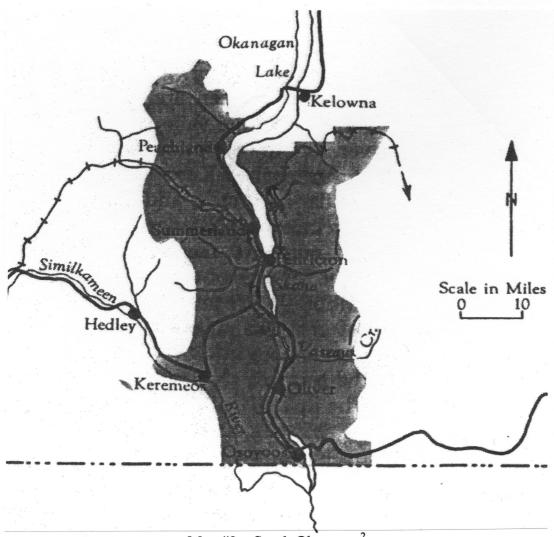
The Okanagan Valley can be roughly divided into two geographic subsections: the North Okanagan (Map #2) and the South Okanagan (Map #3).



The North Okanagan includes the main trench of the Okanagan Valley and its tributary valleys and adjacent uplands between Kelowna and Enderby; however, the

^{*} The majority of this information has been derived from the information booklet: British Columbia, Department of Land, Forests and Water Resources, *The Okanagan Bulletin Area – Bulletin Area No. 2 (revised)*. Victoria: Queen's Printer, 1974. ¹ British Columbia, Department of Land, Forests and Water Resources, *The Okanagan Bulletin Area – Bulletin Area No. 2 (revised)*. Victoria: Queen's Printer, 1974, p. 69.

region is often considered to extend as far north as Shuswap Lake -- thereby incorporating the city of Salmon Arm. Some of the major urban centres found in the region are the Cities of Enderby, Armstrong, Vernon and Kelowna, the Village of Lumby, and the District Municipalities of Spallumcheen and Coldstream. As of 1971, about two-thirds of the total population of 64,000 people in the North Okanagan lived in these incorporated centres. Kelowna is the largest urban centre in the Valley, and one of the largest within the whole interior of the province. An important transportation hub (with trans-shipment rail facilities and a major airport), Kelowna also had one of the more diversified economies within the Valley in the early 1970s (the city supported a strong tourist and recreation sector, lumber industry, truck assembly plant, and major fruit packing, storage and processing plants). Vernon, the second-largest urban centre in the north, is located at the northern limit of fruit growing in the Okanagan. Accordingly, other types of agricultural production such as dairying, poultry, beef, and vegetables can be found around the city. Of the remaining smaller centres, only Coldstream remained of any consequence in the production of fruit by 1971. The economic base of Armstrong, Enderby, Lumby, and Spallumcheen primarily relied upon a combination of ranching and lumber.



Map #3 -South Okanagan²

The South Okanagan-Similkameen covers the Similkameen Valley from the Ashnola River to the 49th parallel, and the Okanagan Valley from the 49th parallel to an area just north of Peachland. Some of the major urban centres are the City of Penticton, the Villages of Oliver and Osoyoos, Summerland, Keremeos, Naramata, Kaleden, Okanagan Falls, Cawston and the District Municipalities of Summerland and Peachland. As of 1971, over seventy percent of the total population of 38,000

² *Ibid.*, p. 61.

people in the South lived in these centres. Penticton, as the largest centre in the south and the major commercial hub for the area, was also a key packing, processing, and shipping centre for the extensive soft-fruit and apple growing area of the south. In 1971, about 2,500 acres of orchard still resided within the city limits. Osoyoos, located two miles north of the International Boundary, benefited from the development of the South Okanagan Land Project, which brought irrigation to the local benches and bottomlands. As with most other centres throughout the south, fruit growing, packing, and processing are the backbone of the local economy. The same could be said for Oliver, situated twelve miles north of Osoyoos and designated as the service centre for the Lands Project, as the village still supported large acreages devoted to soft-fruit production in 1971.

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