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Canada - Agric.

PROCEEDINGS OF A WORKSHOP

ON

IMPROVING THE AGRICULTURAL
POLICY PROCESS



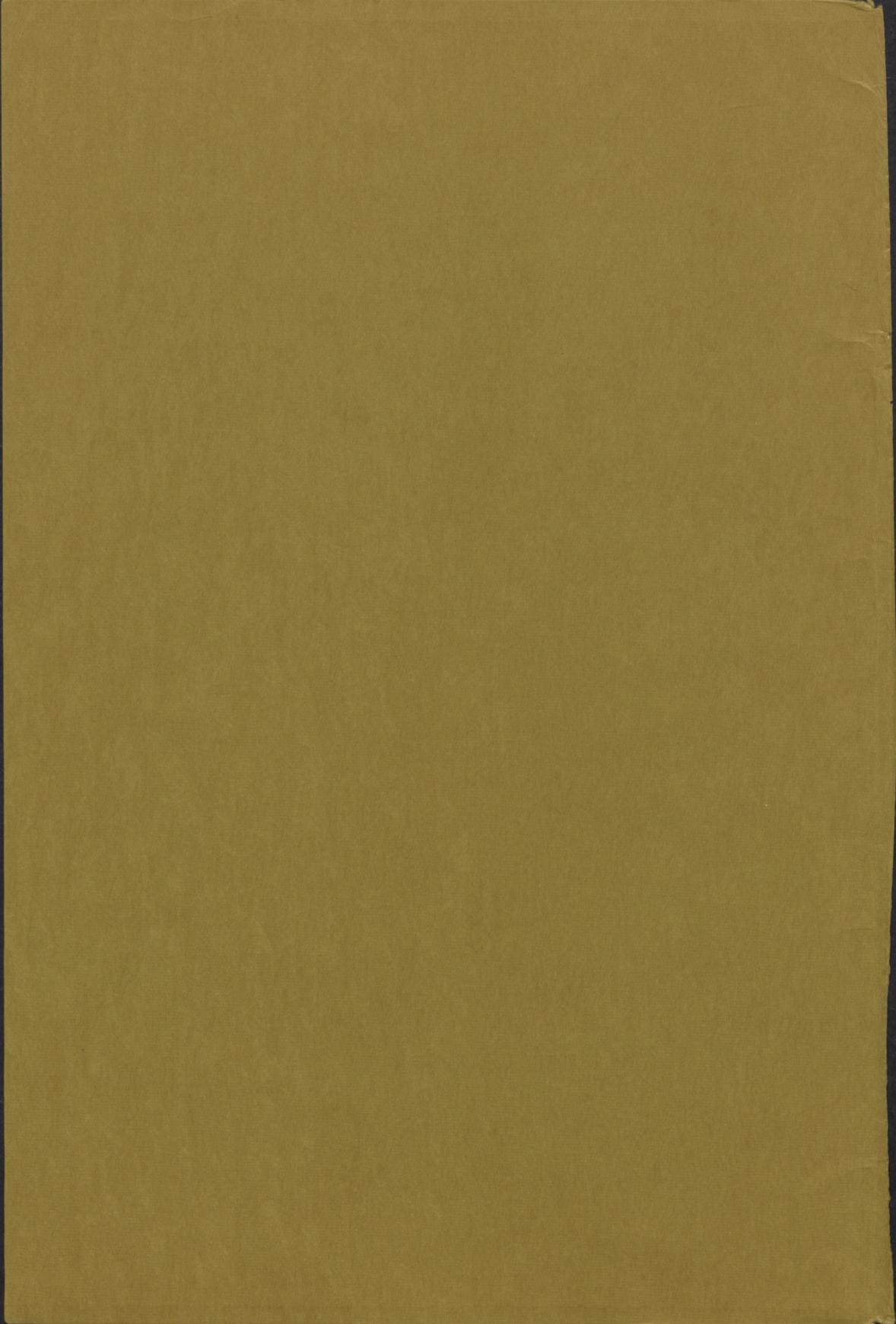
Ontario Agricultural College,

University of Guelph

School of Agricultural Economics

and Extension Education.

Publication AE/72/4



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P R E F A C E

The primary purpose of this workshop was to gain a better understanding of the process by which agricultural policies are developed, implemented, and evaluated in Canada. It was hoped that this exercise would bring to light major deficiencies in the present process and indicate alternative methods and procedures for overcoming them. It was also anticipated that those participating in the workshop would be stimulated to extend their interest and understanding of the policy process to their respective colleagues and associates.

Some would argue that the policy process is of little consequence in comparison to the contents of the policy itself. They would claim that it is what's in a policy that is the important issue, - not how it was developed. No one can deny the importance of the elements of a policy; its objectives, its specific programs for achieving the objectives, and its administrative procedures, but it can also be claimed with justification that the process by which these decisions are reached may determine the content of the policy, the facility of its implementation, and even its success. In other words such issues as who participates in the policy process, at what stages in the process does each participate, how interest conflicts are resolved and the relation between policy-making (formulation and implementation) and policy-evaluation (analysis and review) may have a crucial bearing on the effectiveness of the policy and on whether it ever receives public acceptance or even legislative approval.

These kinds of issues have received increasing attention in recent years. The Federal Task Force on Agriculture placed considerable emphasis on the need to develop more effective procedures for establishing and

evaluating agricultural policies. The Economic Council of Canada devoted its Eighth Annual Review, "Design for Decision-Making" to a discussion of the process of decision-making in the public sector and concluded that:

. . . improvements can be made in ways of approaching public decisions, in the tools for analyzing and evaluating public policies and programs, and in knowledge and information not only about the processes and structures of decision-systems but also about the issues of policy. We believe that these improvements could help strengthen the bridge between the needs and aspirations of Canadians, on the other hand, and the results of public policy, on the other.

The background papers prepared for the workshop provided various perspectives from which the participants were able to examine different dimensions of the policy process. The discussions focussed on how the process works presently, its limitations, and possibilities for improvement. Many suggestions emerged from these discussions. There appeared to be general agreement among the group that the process would be greatly improved if means whereby those who are likely to be affected by a policy had more opportunity to participate in the formative stages of policy discussions. Closely associated with this need was better means of facilitating consultation, coordination, and cooperation between the various levels of government, farm organizations, and agribusiness as well as within government itself between its focal points of decision-making, i.e., the Members of Parliament, the Cabinet Ministers and the civil service. The role of the government bureaucracy in the policy process was the subject of considerable discussion and concern was expressed regarding the means of ensuring that the influence exercised by this group on the design of a policy would be consistent with their role as technical advisers and the basic policy objectives desired by the public.

Since the essence of public policy is conflict it was recognized that the policy process must, by nature, be one of compromise within a political framework. The challenge is to devise a system which will ensure the maximum effective participation at all levels and produce policies which are consistent with the goals of the people for whom it is designed while minimizing the sacrifices which various individuals or groups must make in adjusting to change.

The participants in this workshop represented a broad spectrum of experience and knowledge concerning the processes by which agricultural policies are developed and implemented in Canada. As coordinator of the workshop I wish to thank all those who took part since without their expertise and enthusiastic participation, the workshop could not have been successful. A special thanks is due to the authors of the eight background papers which appear in this Proceedings.

The workshop was conducted as part of the 1972 Ontario Agricultural College Annual Conference on Agriculture which was held at the University of Guelph on January 4 - 6. As such, it formed part of the extension program of the School of Agricultural Economics and Extension Education and was financed under the research and services contract between the University of Guelph and the Ontario Department of Agriculture and Food.

January, 1972.

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CONFLICTING GOALS AND OBJECTIVES

J.A. Dawson
Economic Council of Canada

This workshop has as its theme "Improving the Process of Formulating Agricultural Policy." I have been asked to discuss only one part of the process, one where training and background in economics do not offer too much guidance. Most of my comments will be directed to the goals themselves rather than to a consideration of what groups in society contribute to their determination. I have had occasion previously to examine these other aspects of agricultural policy formulation.^{1/} I suggested that the various institutions that have a role in developing agricultural policy could be grouped into five types: (first) government, including elected representatives and the various departments and operating agencies; (second) advisory bodies; (third) farmers and farm organizations; (fourth) universities and other institutions engaged in social and economic research; and (fifth) the "general public." Mel Lerohl appropriately suggested the specific inclusion of a sixth group, the agriculturally-related business firms.

Also, for this workshop, I am going to limit my remarks mainly to the objectives of agricultural policy rather than spread more broadly into the objectives of social and economic policy generally and the conflicts of agricultural policy with the broader objectives. The Economic Council has since its beginning examined a number of basic economic and social goals in the Canadian context, relating to employment, growth, prices, external balance, and income distribution. In discussing agriculture, I think it is important to stress the growth and income distribution goals. As will be clear from what I say later, the growth goal has to be translated into an efficiency goal, when turning to agriculture or any other particular industrial sector of the economy.

^{1/} See, for example, my paper on "Obstacles Expected and Steps Required in Implementation of a Sound Policy for Canadian Agriculture," Canadian Journal of Agricultural Economics, November 1969.

In considering the goals that Canadians have for agriculture, I have previously sought refuge in Walt Anderson's statement that agriculture

"should be an efficient industry in all respects, including the production of various products and the location of the industry, adjusting effectively to the tune of domestic and export demands for its products, and meeting fully the competition of other industries for labour, capital, and other resources needed in agriculture; so that its earnings would be equivalent to those set by the general level prevailing in the economy."^{2/}

For our discussions here, however, we must step back several steps. While the economist may assist in obtaining clarification of society's goals, it is not his role to establish them. In Dale Hathaway's paper at the 1968 Canadian Agricultural Economics Workshop, he noted that "it is the economists' job to determine the rates of substitution between the competing goals and the politicians' job to determine what the public preference is among the possibilities."^{3/} It is also important to realize that goals change, not only nationally, but even more so for an industry and for those involved in it. In earlier stages of Canadian economic development, the growth of the Canadian economy was strongly influenced by the extension and development of agriculture and there were a number of supporting policies. Since the Second World War, one of the major thrusts of agricultural policy at both the federal the provincial levels has been towards increasing the productivity of agricultural resources. With relatively slow growth in domestic and export

^{2/}W.J. Anderson, "Agricultural Policy in Perspective," Agricultural Economics Research Council, 1967.

^{3/}Dale E. Hathaway, "Goals, Means and Issues of Importance in Canadian Agricultural Policy," Canadian Agricultural Economics Society Workshop, 1968, p.24.

markets for Canadian farm products, the result has been a substantial release of labour resources to the non-farm sector. Agricultural output has been increasing over the postwar period at an average annual rate of about $1\frac{1}{2}$ to 2 per cent, while the agricultural labour force has been declining at an annual rate of more than 3 per cent.

An important causal factor in this rapid rate of adjustment has been that workers were attracted to non-agricultural pursuits by higher returns than they could earn as farmers or farm workers. And, had this movement out been less rapid, incomes in agriculture might have been even lower. We don't have sufficient information on farm incomes and their distribution but what information there is indicates that incomes in agriculture have been and still are considerably lower than those outside of agriculture. For example, over 50 per cent of farmers, loggers and fishermen had incomes below \$3000 in 1967, the most recent year for which information is available, and nearly 80 per cent had incomes below \$5000^{4/}. There have been a number of policies directly or indirectly related to an easing of this adjustment burden, including subsidized credit, adjustment assistance, special marketing arrangements for certain commodities, and a degree of price support in some cases. Generally, however, these have been designed so as to minimize conflicts with the goal of increased productivity of agriculture.

We have now arrived at a situation where Canadian agricultural output accounts for about 5 per cent of the total output of the economy and the agricultural labour force accounts for between 6 and 7 per cent of

^{4/} Income Distributions by Size in Canada, 1967,
Statistics Canada Catalogue No.13-534. Data have not been published separately for farmers because of sample size limitations. However, even if one makes the extreme assumption that all of the loggers and fishermen had incomes below these two levels, this would still leave 45 per cent of the farmers with incomes below \$3000 and 75 per cent with incomes below \$5000 in 1967.

the total.^{5/} In this changed situation, is it possible that more emphasis could be placed on improving the incomes, without slowing the growth of productivity in agriculture?

A question posed in such general terms cannot be answered. First, there are certain realities to be faced and second, there are other goals that people have for agriculture that have to be considered. As to the realities, one of the most important for Canadian agriculture is the environment for world trade in agricultural products. National agricultural policies cannot be framed without taking account of this environment. With freer and expanding world trade in agricultural products, there might be little conflict between the goals of increasing productivity and a lessening of the relative income disadvantage of Canadian farmers. But we would have to lessen some of our own restrictions and it is clear that in some regions the relative income disadvantage might worsen, at least temporarily. If, on the other hand, the trade environment does not become more favourable than it has been, or if it worsens, there may be insufficient scope for the sectors of Canadian agriculture that have the greatest potential.

At this juncture, I consider it necessary to go beyond my immediate assignment for a moment and speculate about some of the directions that policy will have to go to meet the income distribution goal. It will probably be necessary to have greater recourse to specific measures to influence incomes more directly. The appropriate arrangements would differ, of course, depending on whether the individual could develop sufficient scale and efficiency to obtain a good income from agriculture or whether his greatest opportunity lies outside of agriculture.

^{5/} These magnitudes are for agriculture only and do not include agricultural marketing or farm supply activities. Concerning the changing role of agriculture and its interrelationships with other parts of the economy, see L. Auer's article in the May-June, 1971 Agricultural Institute of Canada Review.

For those who are uneasy about a substantial program of transfer payments to people who live in rural areas and are concerned that they could impede a necessary continuation of the process of rapid movement of people off of farms, I would make two comments. First, one of the consequences for North American agriculture of rapid technological advance has been a tendency for growth of agricultural output to run ahead of growth in demand, with the result that much of the gain from the adoption of new technology has been passed on to consumers rather than having remained with farmers. The rapid rate of adoption of new technology has been essential from a competitive point of view. Second, one should note that the role of people living in rural areas has been changing to some extent and may continue to do so in the future. Increasingly, they are custodians of space -- space for recreation, and even simply, space that we traverse in travelling. We now have come to recognize the value of the existence of a well maintained rural hinterland and the uses that can be made of farms in addition to the production of agricultural products. As examples I would cite developments such as the Bruce and Rideau trails in Ontario. We have yet to recognize that the custodians might be remunerated in some way for the services that they already do or could provide in the maintenance and improvement of access to this "open space." Perhaps one way of doing so is to reduce real estate taxes for those farmers and other residents of rural areas who provide public access to all or part of their rural holdings.

I have digressed somewhat from my topic. Let me now return to the goals themselves and come to them more systematically. The goals of efficiency or growth and more equitable distribution of incomes can be thought of as the two dimensions of a single goal, one being the growth in overall income (or output), the other being the distribution of that growth. Similarly, unemployment as a goal has its aggregate and distributional dimensions. Other goals and their output and distributional dimensions are not so easy to

perceive. In its Eighth Annual Review, the Economic Council of Canada emphasized the need for a more comprehensive framework covering a broad range of goals and their interrelationships, within which policy objectives could be considered and appropriate priorities chosen.^{6/} The Council has suggested the development of goal indicators, which are defined as "quantitative-qualitative information that can be collected on a time series basis to measure a relevant and significant dimension of a specified goal area -- for example, health, education or public safety."^{7/} In a number of respects, the distributional dimension of these indicators could be of special significance for people living in rural areas. They would indicate the difficulties of access to and utilization of commercial and public services by people who live in rural areas in an increasingly urban-centred country. Providing adequate educational and health services to people living in sparsely-populated rural areas is posing difficult problems for those faced with the provision and delivery of such services. Conflicts arise between increasing the effective output of these services and making the services more easily available. Similar problems exist in the commercial distribution of goods and services.

Information on some of these socio-economic aspects could enable us to come to grips more systematically with the whole issue of what goals we have for the organization of our communities. It could facilitate closer examination of the various dimensions of rural living, and might also lead to some reconsideration of alternative options for the organization of farms. At present, Canadians generally seem to prefer that most of the farms be operated as "family farms." I interpret this to mean that the farms are run by operators who manage the farms and, along with their families, provide all or part of the labour and at least some of the capital required for the operation of the farms.

^{6/} Since this Review deals with the subject of systematic decision-making and provides pertinent background information for our discussions here, copies of Chapters 3, 4, and 5, which treat the subject generally, have been made available to participants.

^{7/} Op. cit., p. 71

There is one more preference or goal that needs more attention than I will be able to devote to it, but which has ramifications across the whole range of agricultural policy. Market decision-making, at least in reasonably competitive market situations, has been generally considered to have yielded an acceptable outcome. I sense that this view is now much less generally held. It is likely, therefore, that agricultural and other policies will be directed increasingly to alter the way in which agricultural products are marketed. It will be important that such policies be examined with a view to determining to what extent they improve or impede the functioning of markets and their effects on other goals than efficiency or growth.

Up to now, I have been leaving to one side the question of what is meant by agricultural policy. Generally, we include those policies that are designed mainly to achieve some objective by or on behalf of farmers. Thus, we include measures related to farm product marketing, agricultural price stabilization, agricultural research, education and extension, farm credit, etc. There are, however, many policies that have great significance for the resolution of problems facing farm people that are not directed solely or even especially towards agricultural problems. These cannot be excluded in any comprehensive consideration of policies in relation to conflicting goals and objectives for agriculture and for farm people. Thus, the distributional implications of policies such as those dealing with taxation, competition, transportation and other such fields must be examined as to their effects on the welfare of farm people. Only in this wider context will the conflicts between various policies be illuminated and improvements made in implementing measures to meet the multiple goals that Canadian have for agriculture.

I am compelled to end on a cautionary note. I have been discussing goals, how they seem to be changing, and what is required to examine and clarify these goals. This process of examination and clarification, however, may itself sharpen conflicts on goals between the various groups in society. Resolution of these conflicts would not be an easy task. Nevertheless, a rational individual has to hope that there are in fact strong possibilities for resolving such conflicts.

THE POLITICAL SYSTEM AND AGRICULTURAL POLICY
AT THE FEDERAL LEVEL

James Rusk^{1/}
Report on Business
The Globe and Mail

The process of federal farm policy formulation in Canada has never received an adequate and exhaustive examination and, consequently, many salient points in the consideration of agricultural policy are disregarded by those with either a professional or an academic interest in it. While it is well beyond the scope of this paper to describe either the policy formulation process in detail or to evaluate either its efficacy or all the factors which are taken into consideration by policy formulators, the paper does attempt to identify some of the processes and factors which the author feels are vital to an understanding of farm policy formulation at the federal level in Canada.

This paper discusses agricultural policy in the narrow sense of policy directed at the primary production sector; it would be too far beyond the scope of this paper to consider the agribusiness sector in any degree. The author feels this limitation is valid in the sense that there is not a specific, detailed agribusiness policy in Ottawa. Most of the policies which affect agribusiness are those which affect all business.

The paper is divided into three sections. The first describes the policy formulation process and identifies some of the important trends developing in this area. The second discusses, although not in detail, some of the historic voting pattern factors which have tended to weaken the importance of farmers in the federal political process. The third spotlights some important economic considerations which are often disregarded by those interested in farm policy.

^{1/}The views expressed in this paper do not in any way represent the views of the present or of the former employers of the author. They are strictly the author's own, and all responsibility for them rests with the author.

A. THE PROCESS

The basic institutional processes of Canada's federal political system are well known to all of us. The visible institutions -- the Cabinet, political parties, House of Commons, Senate, Governor-General -- have not changed in fundamental form since Confederation. Although some changes have been made, the steps which legislation goes through before it becomes law -- first reading, second reading, committee stage, third reading, approval by the Senate, final signature by the Governor-General -- have changed little over the years.

However, while the institutional structure has not changed a great deal, the relationships among the institutions have changed and this paper will attempt to identify some of the more important of them.

The most important of these has been a power shift of major proportions from Parliament to the Cabinet and the Civil Service. The primary reason for the shift is the complexity and enormity of modern government. In the course of a year, thousands of decisions have to be made and Parliament, which is a body designed to pass laws and which meets for about 200 days a year at most, cannot make many of them.

Although Opposition members and the Commons committee structure attempt to monitor the administrative side of government through question period and committee examinations of departmental budgets, the Opposition still has relatively little power over the day-to-day operations of government. In my view, it probably never will and, at best, will be able to play an important ombudsman role.

With more of government's decisions being administrative, rather than legislative, in nature, the Cabinet has more authority to take independent action through regulation and, in many cases, entirely new bodies, which are largely outside the political control of Parliament or the Cabinet, make the important decisions.

In part, the nature of the decisions themselves has promoted this shift in power. Some, such as the purchase of land or a budget change, just cannot be debated in detail in public before they are made, as there are those who could make windfall profits as a result. Other decisions are of a complex technical nature and ministers have to rely primarily on the advice of civil servants in deciding the course of action.

As a result, the operations of government are increasingly less exposed to public view and increasingly less well understood by those affected by the results. In turn, this may account, in part at least, for the growing disillusionment with government felt by many sectors of society.

Currently, there are shifts in power taking place in the submerged part of the iceberg. The Trudeau Government, by formalizing a committee method of Cabinet operations, has taken some power back from the Civil Service. Cabinet committees have the time to scrutinize in greater detail decisions dealt with at this level than in the past. And, since documents must have been approved by a group of ministers rather than a single minister before reaching full cabinet, the committees act as a buffer between the public service and the Government. A deputy minister may be able to convince his minister of an idea or proposal, only to find it rejected in cabinet committee.

Although the Trudeau Government, in my view, has succeeded in getting more power back into the hands of elected representatives, all is not yet perfected. Power is in the hands of the Cabinet and the Cabinet's operations are cloaked with secrecy. And, since the committee structure tends to absolve individual ministers of the political responsibility for decisions, power in the Cabinet is shifting to the Prime Minister and his office. (Perhaps this is being recognized by the people. In the last election in both Ontario and Canada, the leadership and personalities of both Mr. Davis and Mr. Trudeau were apparently more important than issues in getting their parties back into power.)

In one sense, the shift of power into the Prime Minister's Office has had some good results. In the past, government programs and planning have not, apparently, been subject to much centralized control and coordination and this is now coming through the Prime Minister's Office and the Privy Council. If this centralization eliminates some of the inconsistencies which result when each department goes its own way, then it well may be an improvement in the overall operations of government.

A key element in the federal government structure is the federal Civil Service. Little is known publicly about the personalities and processes of this group. In the context of the traditional relationship between the Government and the Civil Service which has prevailed in the British parliamentary system, this is as it should be. This group, however, plays a key role in policy formulation.

The Civil Service is, of course, organized into government departments, each with a specific jurisdiction and responsibility, although the lines between departments are neither clear nor distinct. Some deal with sectors of the economy; Agriculture and Energy, Mines and Resources are good examples. Others have broad responsibilities which cut across sectors; Finance, and Manpower and Immigration are examples. Others are service departments, Defence and National Revenue are examples.

This division of responsibility means that several government departments are involved, and legitimately so, in every government decision. (And this involvement is mirrored somewhat in the cabinet committee structure.)

This brief discussion of the structure and processes of modern government provides a description of the environment in which agricultural policy is made at the federal level. Mechanically, the system functions similarly for an agricultural policy decision as for any other government decision. This ensures that agricultural policy is not isolated from, and uniquely distinct from, other government policy.

When civil servants discuss agricultural policy, all government departments potentially affected by a decision are brought into the process. On cabinet committees, ministers from various departments work, together and in cabinet; every minister has an opportunity to influence the course of action. Consequently, program funds, including those to agriculture, are allocated in relation to the many demands placed on the government, and programs are weighed in the light of all the priorities which a government might have.

In this regard it seems to me that it is a fair question to ask how high agricultural policy, as it is traditionally understood by farm people, should be placed on the list of government priorities. Should it be higher than any of the following (listed in no particular order): pollution, equality of founding cultures, problems of urban growth, transportation problems, inflation, tax reform, judicial and law reform, housing or unemployment.

My own answer is that it probably does not rank higher than any of those items, although agriculture and farm people are affected by the approaches which the government takes to each of them.

This brings me to a second comment. There are many who wish that all agricultural policy decisions were made in a Department of Agriculture and that one minister were held responsible for the job of presenting the case of the farm people of Canada to the federal government. From the complex nature of our society and our government, I feel that I have demonstrated that is not possible. Nor would I wish it to be so. If the case arose where agriculture depended solely on one cabinet spokesman, its fate would be too closely tied to one man's political career.

The third comment I would like to make is that those who would wish to suggest changes and make criticisms of the governmental process must understand that the Government, the Cabinet and the members of the party in power, are responsible for every decision which is made. In our parliamentary system, the government is responsible to all the people of the country and the only persons who can be held accountable to the people are the politicians.

This has naturally led to a highly centralized form of organization. Persons lower down in the chain of command do not have the authority to make independent decisions of other than a purely operational nature. Sound management in a business firm would call for many more decisions to be made farther down the line. While this is possible in business, as the operation of a particular segment of it can be turned over to an individual and he can be held responsible for the results, this is not possible for a government. Our understanding of political responsibility does not allow this to happen, nor would our concept of job security and tenure in the public service.

In the final analysis, the formulation of policy is best understood as a people process. That is, policy is the result of a large number of people, each with his own personality and capabilities, interacting in a formalized institutional structure. While the structure itself may act as a primary constraint on the capability of the system to formulate adequate and sound policies, the structure itself, stripped of the people in it, explains almost nothing of the final policy which comes out of Ottawa. It is a fundamental thesis that, if different people occupied identical positions in the same structure of policy formulation, different policies would be formulated. To reject that thesis is to reject the potential for democracy.

B. FARMERS AND THE BALLOT BOX

For a number of years, farmers, especially those in Western Canada, although the tendency exists among all English-speaking farmers, have made the fundamental political error of allying themselves with the Progressive Conservative Party. When they have voted away from the Conservatives, it has usually been to vote for a minority party such as the N.D.P. or the United Farmers of Alberta. In Quebec (the only rural area of the country which has consistently voted Liberal), the switch is usually from the Liberals to another minority party such as the Creditistes, rather than to the Progressive Conservatives.

For example, in the fifteen federal elections since the end of the First World War, the Liberals have never had a majority of federal members from Alberta. The Liberals have carried a majority in Manitoba five times since World War I, although the last time was in the 1953 election. Similarly, the Liberals carried a majority in Saskatchewan six times, although the last time was in the 1949 election.

No matter what the political beliefs of anyone in the agricultural community are, this voting pattern has worked to decrease the political power of the farmer in Ottawa. For a combination of historical reasons, the Liberal Party is the only Canadian political party with a broad enough power base to regularly form majority governments in Canada. Since 1896, the Liberals have been in power in Ottawa for more than two years out of three and, unless the Conservatives develop a power base in the major cities, where they have been weak during the 1960's, and in Quebec where they have been weak in every election, but one, since 1896, I see no signs of a change in the traditional pattern.

In other words, the region of Canada with the largest and most important group of farm votes has traditionally been on the wrong side of the political fence in Ottawa. Parties work, especially in a majority situation, to retain the votes they already have and, in fact, must measure what support it would cost them among the committed if they developed programs and policies which would attract the uncommitted.

In the future, the farm vote will decline in numbers and the rural vote will gradually decline in importance. In addition, many of those who live in rural areas will not be as closely allied to the farm community and its needs as they once might have been.

C. SOME ECONOMIC CONSIDERATIONS IN CANADIAN FARM POLICY

The purpose of this section is to point out some of the primary economic considerations which go into the development of national agricultural policy and to

emphasize some considerations which the author feels are often overlooked. Far more material has been published on these topics than on the basic institutional framework for policy formulation. Some consideration of them is essential to flesh out the earlier discussion.

Canada is a resource-based, export-oriented economy. Given the small size of the domestic market and the physical vastness of the nation and the wealth of its resources, it could be little else. All economic policy in Canada takes this fundamental fact into account, and it must also recognize that this leaves Canada in an exposed international position, more subject to external developments than most nations. This is true of agriculture.

Although in the light of recent short-term external developments, some re-examination is taking place, I do not see how Canada can turn away from the world and the markets of the world. This means that Canada will not, in my view, reduce its efforts to obtain a liberalization of world trading rules and, in fact, will probably increase them.

As indicated earlier, the structure of policy formulation means that agricultural policy is formed in the same fashion as other government policy and consequently is an integral part of over-all government economic policy.

This means that Canada has been less ready than other nations to build a protectionist system of tariffs, import quotas and price supports for agriculture. Since this country is usually a significant net exporter of agricultural products, Canada's international trade posture is a major factor in national agricultural policy. In past trade negotiations such as the Kennedy Round, this country pressed for a relaxation of the various barriers to freer international trade. In operational terms, this means, of course, that departments such as Industry Trade and Commerce or Finance, concerned as they are with the exports and the international payments position, resist any drift towards a protectionist agricultural policy.

Secondly, integration of agricultural policy in overall national policy is leading to an ever stronger view that agricultural policy, as it is formulated in the Department of Agriculture, ought to be national policy, and that policies designed to deal with problems such as regional disparities or poverty ought to be left to more appropriate departments and programs.

This view is being reinforced by the opinion, increasingly popular in many sectors of the agricultural community, that there ought to be a commercial farm policy, which deals with the problems of the commercial farm sector, and an adjustment or incomes policy which deals with the problems of the low income farm sector, which by the very fact of the extremely low levels of production are not a part of the commercial farm sector.

While there is a consensus on the economic considerations which I have just listed, there are other economic issues on which people in the farm community tend to disagree with economists and policy thinkers in the rest of the community. Since the very nature of this seminar is to clarify the debate on farm policy in Canada, it is important that these issues be discussed.

The first involves the importance of agriculture in the Canadian economy. There has been a lot of fancy footwork with figures which purport to demonstrate that over 40 per cent of the economic activity in Canada depends on agriculture. Actually, to put the proposition a little more correctly, it should read over 40 per cent of the economic activity in Canada is related, directly or indirectly, to getting food into people's mouths.

When the assumptions behind the calculation are examined carefully, the exercise is then seen for the esoteric bit of business that it is. For it is a kind of all or nothing calculation which comes down to the fact that if people did not eat, over 40 per cent of the economic activity in Canada would be directly affected. Even that assumption is weak in the long run;

for if people did not have to eat, they would spend their disposable income elsewhere and other economic activity would arise to take the place of the agriculture and food business.

It is, however, the misuse of the figure on the part of some in the agricultural community which is economically rather more dangerous. There is a tendency to indulge in a line of reasoning which goes something like this: "Since over 40 per cent of the economic activity in Canada depends on agriculture, and since agriculture depends on a strong family farming system, Canadian policy must be oriented to supporting a strong family-farm agriculture."

The first premise has been shown to be an esoteric exercise. The second is wrong.

When one looks at the structure of the whole farming-agribusiness-food complex, it should be clear that the economic linkages are such that the continued existence of large numbers of relatively small family-owned-and-operated units is not in any way essential to the continued economic existence of the whole system.

On the output side, the processor does not care, nor is it important that they should, how many units it took to produce what is for him nothing more than raw material. The retail side of the industry, either food store or restaurant, is even less concerned. It sells food. How or where it was produced does not really matter.

On the input side, the U.S. experience is that as agriculture moves to a smaller number of larger production units, the amount of purchased input per unit of output increases.

Or consider farmers as consumers. They represent about 7 per cent of the Canadian market in numbers and even less in dollars.

Similarly, in the rural community in Canada, only one family in four is a farm family and at the end of the decade it will be only about one in five. In Ontario the ratio is even less.

Many of the people who now live in the countryside are not oriented to the traditional rural life. In terms of their value structure and life styles they are urbanites. Farm people, too, are becoming urbanized in terms of the material trappings of their existence. This is obvious, but the implication goes deeper. Throughout much of Canada, the continued existence of a societal infrastructure in rural areas is no longer dependent on the continued existence of a large number of primary agricultural production units. In other words, the future of the rural community in much of Canada is no longer tied to the future of farming. In Western Canada, where urbanization is not as far advanced as in the East, farming and the rural community are, of course, more closely tied than in Ontario.

Another economic argument that is now popular in some agricultural circles is that large scale agricultural adjustment would put undue strain on the urban labour market and welfare system. This effect is usually over-estimated by rural people.

Even if, for example, 75 per cent of the farm operators in Canada were to be transferred to the urban labour force over the next decade, this would mean that the out-movement would be only 25,000 a year. In terms of the 250,000 jobs Canada is going to have to create annually during the 1970's, this might be considered a large burden. However, when the age profile of Canadian farm operators is examined, the basic figure turns out to be too high, as a large number of farm operators will reach retirement age during the decade. The potential contribution of the rural exodus to the urban system and its problems turns out to be a bigger worry to farm people than to urban planners. Indeed, one must note that the period of the largest off-farm movement in Canada, both in relative terms and in absolute numbers, occurred in the decade of the 1950's, when it contributed greatly to the economic growth of that period by providing labour which was vitally needed in other sectors.

Another area of economic thinking about agriculture which is befuddled is the twin area of efficiency and productivity. It is hard for many in agriculture to accept, but, in the view of many economists outside the industry, agriculture still has a considerable distance to go before it is as efficient and productive as the industrial portion of our economy.

In contrast with many industries, there is a considerable range in the efficiency of the various farm business units in the country. Some are highly efficient; others are hopelessly inefficient. In almost every analysis which is made of farmers' accounts, the bottom quarter of farmers turn out to be losing money or running at an extremely low rate of profit. In contrast, the top quarter are usually in fairly good shape in terms of profit per unit of production.

For this top quarter, the problem is generally getting enough volume of production to stay in business; in other words, getting markets. The bottom quarter, for one reason or another, probably cannot last, no matter what prices and markets are. It must be accepted that in all sectors of agricultural production there are a number of efficient producers who are in business to stay, and others who do not have the managerial skill to remain in agriculture.

The productivity of Canadian agriculture is a more difficult problem. The agricultural community has often complained that, despite the post-war performance of the agricultural sector, incomes in farming are still well below those of the nonfarm population. In fact, the rate of labour productivity growth in agriculture in Canada has been running about $5\frac{1}{2}$ per cent per annum since the end of the Second World War, compared to $2\frac{1}{2}$ to 3 per cent in nonfarm industrial production. However, one must consider the initial base for these two growth rates; by themselves, the rates mean little.

The technological revolution in agriculture has lagged the industrial revolution by a number of years.

At the end of the Second World War, productivity in agriculture was about half the level in the rest of the economy. In that situation, agriculture has had to run about twice as fast as the rest of the economy to keep the gap between the farm and the nonfarm sector from widening.

That is what has happened. Most of the productivity gains in agriculture have gone to just maintaining its position. Or, in simpler terms, if it had not run as fast, agriculture would have been even further behind than when it started.

In terms of Canada's international competitive position, the picture is, if anything, somewhat bleaker. Our main agricultural competitor is the United States and it has been doing a slightly better job since the end of the War. Its annual rate of productivity increase has been somewhere around 6 per cent per annum, or half a point more than Canada's. As a result, the gap between the two countries has widened and, in terms of gross production per worker, Canada is about 35 per cent below the United States, although in net terms Canada is only about 25 per cent below.

To put it bluntly, if present performances were to continue, Canada could never catch up to the United States and the gap between the two would actually widen. Two decades ago, the gap in output per worker in primary agricultural production between the two countries was about \$1,000 per worker. Now it is about \$3,000 per worker. If the United States were to keep its present rate of increase going over the next two decades, Canada would have to increase its annual productivity gains in agriculture to around 8 per cent per year to catch up with the United States by 1990.

This issue of productivity and efficiency has been discussed at some length because it shows what economists outside the industry see when they look at agriculture. They see an industry with too many resources, and as a result some of them earn a low return.

They see an industry with relatively low productivity and, consequently, it must pull itself up by its bootstraps. And they have influence on those who make the general economic -- both monetary and fiscal -- policy of Canada.

This discussion of the economics of agriculture could go on further; however, it will be ended by bringing to attention two figures from the United States, which demonstrate the nature of Canada's international competition.

The first is that 568,000 farmers now produce 73 per cent of the gross value of agricultural production in the U.S.A. and are expected to produce 90 per cent of it by 1980. The second is that constant dollar output per man-hour in agriculture in the U.S. will be 83.5 per cent of output in nonfarm manufacturing by 1980, compared with 55.4 per cent in 1968. In other words, at the end of the decade, U.S. agriculture will be closer to the point where it is equal in productivity with other manufacturing industries.

By 1980, where will Canada be?

D. SUMMARY

In the final analysis, the policy which government adopts towards Canadian agriculture is the result of a complex process in a complex system. The personalities, preferences and the prejudices of the players in the system are an important ingredient in determining what comes out of the system.

The traditional voting pattern adopted by Canadian farmers has weakened their political position in Canada.

Canadian agricultural policy is an integral part of over-all government economic policy and when nonfarm economists look at agriculture, they see a relatively inefficient industry which is falling behind its chief competitor, the United States.

THE POLITICAL SYSTEM AND AGRICULTURAL POLICY AT THE PROVINCIAL LEVEL

D.R. Richmond
Ontario Economic Council

This paper concentrates on the formulation of policy within the political system. It does not deal with specific agricultural policies. It seeks to answer three questions. What is policy? How is policy made within the political system? What can be done to improve the process of policy formulation?

Policy is an ambiguous concept. It has been defined in terms of goals -- the objectives of public action; means -- the measures used to achieve policy goals; or implementers -- the agencies responsible for administration.

The crucial area in policy formulation is the establishment of goals. Policy goals set limits within which programs are developed and administered. Unfortunately, policy goals are usually implicit in programs, rather than explicit, and are rarely articulated by politicians -- except in broad and often meaningless generalities.

One function of the political system is to formulate objectives. The Economic Council of Canada pointed out in its Eighth Annual Review, that,

"We have argued earlier that the formulation of a grand design of national goals and priorities is beyond the responsibility of any single level of government. However, . . . at each level of government a systematic effort should be made to identify the objectives of public policy. In a democratic society these choices are made through the political process, not by special interest groups or experts."

The E.C.C. deals primarily with the need to improve the mechanics of decision-making within government. But this leaves open the question of the efficacy of the political process as an instrument of formulating policy objectives.

It is not enough to stress improvements in management such as the introduction of PPB systems, or the forthcoming restructuring of the provincial administration. The reform of administrative structures may make the system more responsive to needs; may improve the ability of government to respond to change; but administrative reform does not get at the essential problem of formulating policy goals within a functioning "political" system.

Do we have a political system that is capable of translating the needs and aspirations of the public into policy goals?

Many people have expressed grave doubts about the ability of our elected representatives to do this job. Look at the annual statements of the Ontario Federation of Agriculture to the provincial cabinet.

"In our view of history, the process by which governments interpret and satisfy the needs of the electorate has grown continually more complex and difficult . . . We have seen the withering away of meaningful contact between the elected representative and the individual elector." (1967)

"We come to you today with one major concern: that concern is how we can bring the needs of the farmer to the government of Ontario, discuss his needs, and have them acted upon . . . What we are discussing is known as the consultative process or participatory democracy." (1970)

The views expressed by the Federation can be found in presentations by industry, labour, consumers, the whole spectrum of interest groups in Ontario, and indeed in Canada. It is not enough to argue that government is responsive to the needs of people, that government does provide services, that government does act to protect the rights of individuals. All this may be true. The point remains that many people see government as a we/they proposition: as a body removed from individual understanding and control.

It should be noted that government itself is becoming aware of the existence of the communication gap between government and citizen. Witness the information study now underway by the Ontario Committee on Government Productivity, the proposed establishment of a government information service at Queen's Park, the northern information service of the Department of Mines and Northern Affairs.

All of this is part of the recognition of the communication gap. But these and other worthwhile steps really don't get at the heart of the problem -- the involvement of people in the process of policy formulation. They are essentially efforts to improve the one-way flow of information and services to people. They do not allow for effective feedback on major issues.

How real is this argument? As with the old saying that justice must not only be done, it must be seen to be done, the reality of the communication gap is a matter of perception. And the present perception of the operation of government in this province is that government is becoming increasingly insensitive to the needs of people.

Why?

The nature of government has evolved from a predominantly judicial orientation (the interpretation of law), through a legislative orientation (the creation of law), to a service orientation (the welfare or administrative state). This transformation has been accomplished

by the gradual expansion of the range of activities falling within the compass of governmental action. And, with this growth, government has continuously encroached upon areas of human activity that once were considered to exist outside the competence of the state.

The changing role of government has been in response to changes in the broader society. As we matured from a rural society to an urban society, we required services that could only be provided within the public sector.

Government has proliferated in terms of size (employment, revenues, and expenditures), in terms of complexity (federal, provincial, regional, local, boards and commissions), and in terms of the services provided (distributive and regulatory).

From the viewpoint of the individual this change has been manifested by the increasing involvement of one level or another of government in every aspect of his daily life, and by the taxes he pays. But there is another and far more important aspect of change in the nature of government: the growing sense of loss of control over government.

The state, once defined as a societal institution having a specific and limited function, has become the central institution of society. Because of its size and power, because it is essential to the very existence of organized society, it is necessarily less responsive to the needs and aspirations of individuals. Hence the growing sense of alienation, the demand for reform, for consultation and for participation.

This sense of alienation, of loss of control, of the meaninglessness of the electoral process, has been heightened by the emergence of the cabinet as the central political agency in parliamentary democratic systems. And the situation is not improved by elections that reduce political debate almost exclusively to the relative attractiveness of the personalities of party leaders.

In Ontario, authority is vested in the Crown acting on the advice of the Executive Council. The Executive Council, or cabinet, is responsible for its actions to the legislature, and ultimately to the electorate.

Because of the party system, however, the executive controls the majority of members in the legislature and, therefore, controls the legislature. This does not mean that the cabinet is in the position to ignore the wishes of party members supporting the executive. The caucus gives the member an opportunity for the frank discussion of policy. But debates in caucus are hidden from public view.

Because the cabinet is composed of members, there is again a possibility for the member, if he is a cabinet minister, to represent the interests of his constituents. But the myth of cabinet solidarity cloaks these internal debates from public scrutiny.

Thus we find ourselves operating a system of government in which the key discussions on objectives are removed from the open legislative forum and decided upon behind closed doors. Legislative debate comes after the policy is decided upon and translated into policy means — legislation or expenditure programs.

There is nothing new in this. Political scientists have documented the growing power of the executive in all parliamentary systems. They have also begun to appreciate the central position of the senior civil servant, acting as policy adviser. Much of the recent emphasis placed on the reform of administrative mechanisms within the Ontario government is designed to provide a larger element of political control in policy formulation. But, and this should be stressed, control by the bureaucracy of much of the information that goes into policy formulation gives the senior civil servant unparalleled political power. And, again, the bureaucrat's role in policy formulation, even if admitted by the politician, is completely hidden from public view and shrouded by oaths of secrecy.

It is the restraints imposed by our governmental system that precludes the possibility of participation in the process of policy formulation. As long as we adhere to the concept of responsible government, and the corollary of cabinet control, cabinet solidarity and administrative secrecy, there is no possibility for effective participation in the policy-making process by individuals or groups outside of the internal deliberations of the party and government in power. Consultation yes, participation no!

This is the crux of the policy dilemma. The executive's insistence on keeping the policy goal formulation process internalized prevents any real participation in policy formulation. Policy objectives will continue to be arrived at "in camera" and the political debate in the legislature will continue to center on policy means.

It can be argued that the debate on policy means is really the only thing that matters; that policy objectives are not matters of prime concern in politics because there is a general consensus on fundamental goals in Ontario. One noted Canadian political scientist argued in the mid-fifties that the political parties of Canada were generally agreed on the ends, and that political debate centered on the means. If everyone agrees on the need for the welfare state, the only question is who is going to bring it into being, and what the priorities are to be.

In this case "brokerage politics," the resolution of potential conflict among diverse groups in society, is feasible. It matters little who forms the government of the day, as politics is simply the game played between the "ins" and the "outs." The lack of any real debate on policy objectives is not important because there is no fundamental difference of opinion.

This argument is feasible as long as you postulate the existence of a consensus. Operating within a consensus on broad policy objectives, our political system works fairly well as a method of providing for the

conciliation of different interests. In this sense, Bernard Cricks' definition of politics is appropriate,

"the activity by which differing interests within a given unit of rule are conciliated by giving them a share in power in proportion to their importance to the welfare and survival of the whole community."

In the past, the measure of importance of the "welfare and survival of the whole community" has been in rough proportion to political weight at the ballot box. In a predominantly rural society, a farmer's government was possible. But the demographics of political power have shifted away from rural Ontario to urban Ontario, and the agricultural sector has a declining voice in provincial policy-making.

It can also be argued that as the agricultural sector became conscious of its lessening political power, it became concerned with the need to strengthen its input into policy-making by adopting different techniques, including protests and demonstrations.

The emergence of the political protest in recent years may be a symptom of the growing problem of political decision-making in democratic systems. If the experience of the United States has any validity for Canada and Ontario, it is clear that political protests are expressions of the breakdown in the over-riding consensus. We no longer agree on the liberal-democratic objectives of economic growth, full employment, equality of opportunity and the welfare state that emerged as unifying goals at the end of the Second World War.

In the pursuit of these goals not everyone has benefited, and some (particularly farmers) have paid heavily. There is a growing questioning of the whole panoply of social and economic objectives that were accepted as obvious and right. We are beginning to see some of the costs -- the so-called spillover effects -- of our search for the good life defined primarily in

economic terms. Pollution, drug abuse, delinquency, traffic congestion, illegitimacy, and a host of other social and economic problems are now seen as by-products of twenty-five years of economic "progress."

In this situation, the political system is put under severe pressure. The system, as it has been developed, was structured to translate demands into policy decisions, programs and expenditures on goods and services. The political instruments that have evolved have been attuned to the needs of organized pressure groups, the media and individuals, operating within a set of rules that assumed a unifying consensus on basic societal values and objectives. As long as no one questioned the basic assumptions of the political process, as long as no one asked for changes in the liberal-democratic mythology, the process worked.

Even if one argues that current unrest is a passing fad; that political protest and the demand for involvement is a reflection of economic problems rather than a basic challenge to the prevailing ideology, there remains the difficulty of the changing nature of government.

Government is changing from an administrative orientation to a planning orientation. The government's primary function is no longer the establishment of a legal framework to control individual and corporate behaviour, nor the allocation of resources through taxation and the provision of services. Government, particularly at the provincial level, is moving decisively towards economic and social planning.

The emergence of planning as the central expression of the political process creates entirely new sets of conditions within which the political system must operate.

The emergence of the administrative state -- concerned primarily with the provision of services -- led to the expansion of the bureaucracy. Social services and economic development programs aimed at achieving the prevailing liberal ideology of economic growth

and social justice required ever-growing expenditures by the provincial government. Between 1950 and 1970, net provincial expenditures rose at an average rate of 13.6 per cent per year.

With expenditures rising at such a rate, it is not surprising that the executive function in government became the focus of concern. Given its control over the budget, the cabinet became the central political agency in the parliamentary system. The legislature's role was reduced to that of a rubber stamp. Its ability to influence public policy decisions was reduced as more and more of the key decisions were made by cabinet or by cabinet committees -- particularly Treasury Board (now the Management Committee).

The reforms introduced over the past twenty years have concentrated on improving the management capacity of the executive. Almost all of the efforts to improve the decision-making process have been designed to strengthen the control of the executive, to reduce costly duplication or waste, to ensure a more efficient allocation of tax revenues. This has tended to strengthen the power, prestige and status of the cabinet at the expense of the legislature.

The net effect of the growth of the administrative state has been to put the policy goal formulation process into the hands of the cabinet and the administration, and to limit the possibility of effective legislative control. Declining legislative control over the executive has in turn limited the elected member's ability to make an effective contribution in policy formulation. Hence the growing feeling that the individual member no longer can represent the interests of his constituents.

This trend has serious implications as government shifts from a provider of services to an agency for social and economic planning.

Even though the provincial government has expanded the services it provides directly or through the municipalities, the provision of services remains a

relatively passive act. But, as government moves towards a planning orientation, every action has potential implications for all private decisions. Planning demands a degree of two-way communication far exceeding anything needed in the past.

This raises real questions about the operation of the political system in Ontario. We have built an administrative state on top of the legislative system. In so doing, we have perverted the system and reduced the role of the elected member and his control over the process of policy formulation. If we build a new planning structure into the existing administrative state, we will remove the process of policy formulation further from legislative control.

We may introduce new methods of getting public involvement in the planning system. Up to now, however, the record is not good. But this still leaves us with the question of the future role of the elected member, and indeed the legislature, in the formulation of policy goals expressed through provincial plans.

This, it seems to me, is the central problem in the political system today. How do you achieve public control over the decision-making process within the planning system?

If we wish to maintain a representative electoral system, then we must ensure that the elected representatives have an input in the formulation of policy goals expressed as provincial social or economic plans. This can only be accomplished by a fundamental reform of the parliamentary system of government.

There are, of course, other alternatives. But the parliamentary system has proven to be relatively successful over a long period of time. It can be the basis for democratic control over the planning state, but only if it is reformed so that the elected member can exercise his responsibilities as a representative of his constituents.

APPENDIX

Some Proposals for Legislative Reform

1. Increase the number of elected representatives.
2. Provide each member with sufficient funds to:
 - a) maintain a local office,
 - b) obtain independent research and technical assistance.
3. Provide members with access to all public information exclusive of personal correspondence of ministers. The right of access is absolutely essential.
4. Use committees as a legislative device giving them power to consider legislation at both second reading and committee stages.
5. Refer all regulations and ministerial orders to appropriate committees.
6. No expenditure without specific legislative base.
7. A time limit of not more than five years on all legislation.

THE VIEW OF FARM ORGANIZATIONS TOWARD IMPROVING
THE POLICY PROCESS

David Kirk,
Executive Secretary,
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The title given me is "The View of Farm Organizations Toward Improving the Policy Process".

To begin with, of course, there isn't one single view. If the authors of the title will obtain any satisfaction from getting this point "brought out" let's let them have it right away. The differences of view spring from:

- differences in policy aims;
- differences in the kinds of policy with which organizations deal;
- differences in the kind of organization, and its range of activities;
- differences in organizational resources;
- differences in the style and particular abilities of the leadership;
- differences in the style and particular abilities of the staff;
- differences in the political climate in which they operate;
- differences in the characteristics of the regions in which they work; and above all,
- differences in the spectrum of membership to which they are responsible.

I am quite sure this list is not exhaustive.

Policy and process are of course inseparable. If you look at the policy statement of a farm organization you will find it deals with what should be done, what should not be done, the principles and objectives by which action should be guided and regulated, and the ways in which matters should proceed - i.e., the process itself.

I am not going to attempt a more sophisticated definition of process than this: it would take the whole 15 minutes and probably create more confusion than it cleared up.

Process is how one proceeds to carry out ones affairs of whatever kind. The decision to have a Canadian Federation of Agriculture is a process decision. The Parliamentary rules of debate are process rules. A Deputy Minister's decision to receive a delegation is a process decision. So is an organization's decision to present a brief, appeal to an MP, issue a press release, and so on.

Obviously, many of the most vital decisions of a person, an organization, a company, a government, and indeed a society are process decisions. Democracy is a process. The familiar phrase "due process of law" comes to mind. A general breakdown of process is a breakdown of society. Process can be extremely informal such as having lunch with someone to "fill him in", or extremely formalized by rules - like the judicial process. Process is who you talk to, when you talk to him, what you publish or don't, who goes to a meeting, the terms of reference of a Committee, and so on and so on.

The active ingredients of process can be identified as follows:

1. Representation: In any organized process the most active participants represent others. To validly represent someone (or in the case of the "expert" some thing) is the essential credential for participation and the one that will be most continuously and sharply challenged in the process.
2. Knowledge: Knowledge involves the problems of communication methods, access to information, timing of access, and the use and misuse of information.

3. Alliances: Process involves a system of alliances, based on mutuality of interest on the one hand and the effective use of power on the other.
4. Rules: This is extremely important. Some rules are established by law, some by less binding forms of agreement, some by custom. Rules don't work unless they represent a real degree of consensus. But rules, in the very broad sense in which I am using the term, there must be. A general view of farm organization today is, I believe, that the rules of process, as understood by government in their relations with organization, are too few, and too biased toward manipulating and frustrating the ability of organizations to make their proper and fullest contribution.

It can be said that there is a very simplistic view, shared by all farm organizations, as to the way the policy process can be improved. This can be stated this way: each organization wants to have more to do with the making of policy in its own field of interest, and a better record of success.

Governments would agree with this assessment, only they would put it a little differently. They would say, "We think that farm organizations are a good and necessary thing and we are willing to discuss their problems with them at any time; but they must understand that we represent many interests, not just theirs, and that the final responsibility for making policy is ours. We can't turn that responsibility over to them in the name of consultation".

One is almost tempted to stop at this point and consider the paper finished. The debate - and it is a debate - between governmental and non-governmental people about the need for and extent and degree of "participation" centres on this question of responsibility. Moreover the six papers to be given in the workshop could very well

stand as the subject headings for mine. Dr. Dawson's subject is "conflicting goals and objectives". That of Messrs. Rusk and Richmond is about what the farmer calls "Politics". Mr. Leckie will talk about agri-business wanting its legitimate place in the sun. Mr. MacLaughlin will talk about the multiplicity of farm organizations and their varying functions and aspirations. Dr. Mercier will talk about the fundamental question of jurisdictional division, which of course reflects itself powerfully also in farm organization structure and operation. Dr. Anderson will deal with the absolutely vital field of information, and program and policy evaluation. It is likely, that anything further I say will be repetitive.

In fifteen minutes it is not possible to undertake anything like a really systematic examination of the policy-making process and its problems and potentials, and as I have already said, there are many differences of view and policy approaches, depending on many factors. A major part of this year's Review of the Economic Council of Canada, for example, was devoted to the decision-making process in principally the one area - that of the use of analytical and evaluative information for decision-making within government. This leaves out quite a lot, as the Council recognized. I am therefore going to content myself with a number of observations in the hope that they will be a stimulus to the discussion.

(a) Different objectives - different processes:

In the first place, it is just as well to recognize at the start that different policy objectives call for different processes. You don't go about working for the overthrow of the capitalist system in the same way as you go about working for a modification in the hog grading system.

(b) Alliances: The process of policy-making involves the establishment of relationships and alliances, and these are affected by the nature of ones' policy objectives. In a practical way one of the kinds of decisions faced regularly by any organization is who to work with and who not to work with. The decision depends upon ones' view as to the existence of a compatibility of objectives among

the parties concerned. As I say, this isn't just a philosophical point, but an intensely practical one - a day to day reality in any organization. The question, spoken or unspoken - "whose side are you on" - is an ever-present one in all political activity. Correspondingly, the most damaging conclusion that can be reached by the members of any organization about its leadership is that it is compromising its position as to whose side it is on. It would not be difficult to take a full fifteen minutes, starting for example with a provincial level commodity group, just to explore the complexity of the network of alliances in which that organization can be involved between governments and producers, between producers of the same commodity in the various provinces, between producers of different commodities in the same province, between producers and non-farm organizations and business - going right up to international level. The structure and activity of farm organization is in great part determined by the way in which this network of alliances develops, which is in turn determined by how people see the question of community and conflict of interests in a vast range of connections. Problems in the farm organization structure are rooted in these kinds of questions.

(c) Power: The other element in the equation of course is power. Other things being equal an alliance with a more powerful group will be preferred to an alliance with a less powerful one, and the issue of balancing considerations of power against considerations of mutuality of interest is another constant factor in all organizational and political activity.

To think of the question in this way is not cynicism. The cynicism comes in if one believes, which I do not, that people conceive their interest and their objectives exclusively in narrow, petty and wholly self-interested terms. However, neither should one be excessively naive in this matter. There are few philanthropic societies, and even those have from time to time had their basic goals and objectives placed in question.

(d) Relations of organizations to governments: In the final analysis, it is just as well to recognize, basic

policy is made by legislatures, and by governments operating with the power and consent given by legislatures. It is not that governments have to do everything, but that they set the ground rules. The relationship of groups and organizations to legislatures and governments is therefore central. Even in processes outside governments, in which an attempt is made to reach policy agreements, action must be pursued within the ground rules set by government. (A case in point is the operation of marketing boards). In case of disagreements ultimate recourse of the parties to the final decision of government is an ever present reality. It is also true I think that the area of freedom of decision-making, or perhaps I should say the scope for decision-making, in the non-governmental area is continually narrowing. This is viewed with alarm by many persons and with a good deal of reason, but I think that it is an inevitable and on the whole necessary trend. All you have to do is look at some of the kinds of problems we face to be convinced of that. Incidentally, if the process goes well (and it can develop either well or badly - that is the issue), the scope for personal decision-making in terms of life styles should actually increase for the majority of people.

In any case, the increasingly central role of government in our society has given rise to two interrelated phenomena. One is the increasing importance in our lives of the powers and performance of government. The other is the increasing demand for more systematic, direct, and intimate participation by people and groups outside of government in the processes of policy-making and often of policy implementation.

The demand for "participation" is not purely, not even primarily, a defense reaction against bureaucracy, but I am convinced that it has strong elements of this nevertheless.

It is interesting to reflect that while everyone assumes that it is normal (if dangerous) for the farmers, or the chemical manufacturers, or the unions, or the small grocers to have mutual interests, and to organize to protect and further those interests, the concept of the public servant is that he is in this respect a neutral person,

serving all the people at the instruction of the elected representatives of the people.

The fact is, however, that it is both true and inevitable that, as an occupational group, bureaucrats have their own interests, customs, prerogatives, authorities and influence and it would not be surprising if they normally wanted to protect these. This in fact, in my opinion, they do. The unique characteristic of governmental bureaucracy looked at as a lobby is that it is automatically self-organized and makes most of its representations to itself. It is very important, I think, to be critical of bureaucracy, when we are critical, for the right reasons, and to correspondingly avoid blaming the bureaucrats, as we so often do, for things that are in fact not of their doing. Bureaucrats, by nature of the case, will on the whole, reflect the values of the society of which they are a part, although at its higher levels at least, they will tend to reflect the most prevalent views of the elected representatives to whom they are responsible - the more so the longer the continuous term of office of a particular regime. Nevertheless, it would be dangerous, I think, to credit any established government bureaucracy with a particular ideological position. My own belief is that it is not in relation to the substance of policy that the bureaucrats primarily wield power as a special interest group, but rather precisely in the area of the process of policy-making, which is the subject of my paper and the reason I am raising this question. Speaking in terms of the process, I do not think that interests of governments (conceived as Cabinets) or the interests of the legislatures are necessarily identical with those of the bureaucrats. It is on this aspect of the impact of bureaucracy that I think attention should be focussed.

This brings us to the subject of information and evaluation. In Canada, I think more than in most countries, the sources of information and the resources to collect and use it are more exclusively held by government than in most others in the developed world. From a farm organization point of view the process of policy-making is to a very

great extent a process of relations with government. It is of the utmost importance that we develop institutions, rules and procedures whereby the gathering of information and analysis of it, and the evaluation of programs, are designed with a view to making information, analysis and evaluation useful and widely available tools for policy-making by the public as well as by government itself.

A man who from personal acquaintance should know said at a meeting I attended this spring that the currency of the bureaucrat is information - that is what he deals in. There is a lot of truth in this. I would think it would apply to bureaucrats in and out of government. For that very reason it is of the utmost importance that we reform this particular banking system.

One more aspect. In pressing governments for policy, organizations adopt the process in keeping with their own nature. Various approaches to exercising influence have their own dangers and strengths.

Some organizations exert their pressure primarily through public protest on behalf of their constituency. The direct relationship to government is secondary. The strength of this is that it lends itself best to a direct, uncomplicated reflection of the views of its membership - thus highlighting those views and putting it up to government, so to speak, to respond or meet the consequences. Here the measure of influence depends on the size, representativeness and solidarity of interest and view of the membership. If you don't have this, you don't have much. Also, this approach, in itself, does not lend itself to detailed participation in policy-making or to evolving complex, carefully balanced policy positions. Nevertheless, this approach is a powerful one and a basic weapon in the farm organization armory.

Some organizations have a working relationship with government - marketing boards are a good example. The strengths here are usually knowledgeability and access to knowledge, and the fact that they have something to trade with government - namely their continued effective operational

performance in the system. These are very powerful assets. The dangers are that they are usually limited to some degree by the legal responsibilities and mandate of the institutions, and sometimes by considerations of institutional survival and self-justification (this last common of course to every organization).

Some organizations, and I include the CFA here, are primarily engaged in co-ordination and unification of views and action between organizations having a variety of functions, locales, philosophies and resources, but which have also common and interrelated interests^{1/}. The second aspect - interrelatedness - is as important as that of communality. For such an organization the evolution of improved processes is all important, since it lives by the consent of its constituent organizations, not by its direct appeal to individuals. Its strength is that it can, if well run, be very useful. Useful, is the key word.

It needs also to be stressed that the CFA, to a degree, faces many of the same problems of reconciling points of view and interests as does the government. The government will always, therefore, examine very critically any CFA proposal in sensitive areas against its own assessment of the state of farm and organization opinion. It will never rely on Federation advice unless the Federation has truly either resolved the problem, or reached a consensus on the "best answer".

A federation's survival depends on its retaining the trust of all its members by being fair, responsive, and non-manipulative (easier said than done). Its weakness is that there will always be an inevitable residue of dissatisfaction with its performance, because only on rare and happy occasions will it satisfy everyone, and its constituent organizations are left with the problem of discharging their responsibilities to their members, since it is to them they are responsible, not to the CFA.

^{1/} Editor's note: The paper submitted by Mr. Kirk included a list of the member organizations of the Canadian Federation of Agriculture. Because of its length, it was not included in these Proceedings.

Most organizations combine, in themselves, some elements of all of these organizational characteristics. Nor is the list exhaustive. It is described merely to highlight, from another perspective, some of the essential problems of organizational process.

These few remarks have necessarily been highly selective, the basis of selection being really a guess as to what other participants might well be spending their time on.

I haven't said too much so far on how to improve the process. The essentials are, I believe:

1. To increasingly recognize and agree in farm organization that the problems of policy in agriculture are not essentially ideological, but rather are practical - what can be done that will help - with equity, public acceptance, constructive concern for the long term and so on. The reason I say the problems are not essentially ideological is that I do not believe large and basic differences in ideology are characteristic of the farming population, although important differences do exist. If I am wrong here - and I could be - then that is a different ball game. If I am right then the crying need is to more effectively and efficiently search together for new opportunities for constructive policy directions. This requires more knowledge, more maturity of approach, more work and resources in farm organizations, and better co-operation by government in analysis and evaluation of farm problems and farm policy.
2. To come to a better understanding of the nature of participation and consultation with government - and indeed others. This applies not just to farm organization but to government itself. The ground rules are not well understood - perhaps least well by government but

that is a debateable point. Governments fear that consultation will lead to compromise of their authority. They fear that those with whom they consult and participate will take failure to agree as a breach of faith or clear evidence of a failure in performance on the part of government. This is a real worry, not to be lightly dismissed. Farm organizations charge - with considerable reason - that governments only consult within the narrow limits set by their own pre-established policy; that they do not freely participate in the earlier phase of analysis and examination of policy options, and that they in their turn will charge breach of faith on the part of organizations if the policy that ultimately emerges is attacked when announced. This is a complicated subject - but an important one.

3. To better learn to cope with the regional nature of the political and organizational structure of this nation. I have no great pearls of wisdom here - only the one thought. I think that in a very practical way, applying ourselves to examination of specific problems, there must be more well-planned occasions on which producers and representatives of all governments come together at the same time to examine the question. This is no panacea, but it is not good enough for the dialogue to be as thoroughly compartmentalized and fragmented as it usually is.

THE VIEW OF AGRIBUSINESS TOWARD IMPROVING
THE POLICY PROCESS

H. K. Leckie,
General Manager
Meat Packers Council of Canada

"Government is a contrivance of human wisdom to provide for human wants. Men have a right that these wants should be provided for by this wisdom."

- Edmund Burke

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"Government intervenes in economic affairs largely because pressure groups cause it to intervene, for they are the chief instigators of new legislation and new controls; and at the same time, due to their own activities and practices, they are often the provokers of further public regulation of the interests which they themselves represent.... Government in a democracy does not have a will and a sense of direction of its own; it is largely an instrument of the dynamic forces which flow from the economy through the vehicle of pressure groups."

- Dimock - "Business and Government", Chapter 4

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"The fundamental contention of current pluralistic theory is that the actions of the multitude of private groups limit the capacity of government to be arbitrary, and contrariwise, government acts as a brake on private power because it can function by mediating disputes that arise in the private sector. The interplay between private and public spheres is supposed to keep in check power that would otherwise oppress the individual. Neither majorities nor minorities can tyrannize."

- Lieberman - "The Tyranny of the Experts", page 166.

Before proceeding to discuss the assigned subject, it seemed to me that certain introductory clarifications were rather essential.

First there is need for clarity on what is meant by "policy" and the "policy process" in respect to agriculture. In a basic sense I suppose "policy" may be taken to refer to broad principles or guidelines underlying specific measures or courses of action. However, I am presuming that the original intent of this Workshop was to consider "policy" mainly as it is translated into actual legislation affecting the agricultural industry. Thus examining the "policy process" in practical terms, means considering how various government acts and regulations concerning agriculture come into being, and what inputs go into their creation and whence springs their basic philosophy. After all, it is only when certain social or economic objectives become translated by the political process into actual laws, that policy becomes really effective.

It may be relevant at this point to suggest that there is perhaps a subtle difference between "public policy" and "government policy". The former would seem to have a longer term, more permanent connotation. The policy of any particular government, depending on the political philosophy of the party in power, may not necessarily represent long-term public policy, as witnessed, for example, by the successive nationalization and de-nationalization policies respecting the steel industry in Britain.

It seems a moot point whether Canada has ever had, or perhaps can have, a broad over-all policy framework for agriculture which would act as matrix and guideline for legislated policy, federally and provincially. However, we certainly have a good deal of agricultural legislation which ostensibly must have been based on a presumed policy need for various sectors of the industry. It is, therefore, the adequacy and effectiveness of the policy process which has produced this complex of legislation, which I presume is the main concern of this Workshop.

For the purposes of this paper I am assuming that agricultural policy and the agricultural industry are to be considered in their broad sense, i.e., not confined to the primary producer. Although the term "agribusiness" continues to be interpreted in several different ways by various people, it is normally taken to include the industries involved in processing and distributing food of Canadian farm origin, as well as industries which supply materials and services used in agricultural production and marketing. It should hardly be necessary to re-affirm that all such agriculture-based industries have a direct continuing interest in the policy process for agriculture and food.

The Policy Process

Having stated these basic assumptions, it seems appropriate to next try to identify some of the devices which are currently constituents in the policy process. In other words, what has gone on behind the scenes before the Federal Agricultural Minister, or a Provincial Minister, introduces an agricultural bill in Parliament, or a Legislature. Beyond this point there is, of course, the matter of opportunities to finally discuss the legislation before it is enacted and proclaimed. As well, there is the matter of consultation in the process of drawing up regulations, which frequently assume as much or more importance as the basic legislation itself.

In these days when participation in the democratic process is a popular theme, various overt devices are being increasingly used to arrive at a consensus on policy matters. These include:

- . The appointment of Commissions, Task Forces, etc.
- . The issuance of White Papers.
- . Public Hearings by Committees of Parliament or Legislatures.
- . The holding of Conferences or Public Meetings.
- . The preparation of draft Bills.
- . Advance publication of intended regulations with opportunity for interested parties to comment.

- . Addresses by Ministers intended as policy sounding boards or kite-flying exercises.

Examples of the foregoing are relatively easy to recall. The Federal Task Force on Agriculture is still of quite recent memory as is the Ontario Farm Income Committee's Report "Challenge of Abundance". Currently an Enquiry into the Production and Marketing of Eggs in Ontario is underway. Over recent years quite an extensive series of official enquiries and studies under federal or provincial auspices have been initiated, and have served as focal points for policy discussion.

The cynical point of view is that Royal Commissions afford politicians a safe alternative to making immediate policy decisions on contentious issues. While it is probably true that in the past a number of Commission Reports have been allowed to gather dust on the shelves, forgotten by legislators, and the public, nevertheless a Commission or Task Force, to which various parties may express views and present proposals, offers a good potential for policy dialogue. The present trend seems to pay more attention to their findings and recommendations.

In the case of the Federal Task Force on Agriculture, two National Congresses concerning it were held, which allowed various sectors of the industry to present viewpoints and to participate in informal group discussion. This whole exercise presented quite an extensive opportunity to debate policy issues and for each segment of the industry to learn more at first hand about the concerns of other segments.

The British Parliamentary practice of issuing White Papers as a prelude to proposed legislation has in recent years been increasingly adopted in this country. It has much to commend it, since it allows a full discussion of the objectives and broad outlines of proposed policy. A good example of this approach recently was the White Paper on Taxation, which provoked such a wide and vigorous response. This approach has not yet been used exten-

sively in agriculture but there seems no good reason why it could not be.

As an alternative to a White Paper, we have the recent example of Bill 256 or the Competition Act. This will be referred to in a little more detail later but it illustrates the way in which a draft Bill may be used to serve pretty much the same purpose as a White Paper. In fact, it may even be more effective in the form of draft legislation, since the implication is it may become law in the absence of criticism.

In the United States it is quite a common practice, and a seemingly sound one, to publish proposed regulations in the Official Register and to allow a specific period viz. 60 or 90 days for interested persons to file comments or objections. In Canada, the Gazette has generally not been used in this way, but rather to simply publish regulations as they are promulgated. However, it is becoming increasingly common practice for a Department to permit at least a degree of consultation on certain regulations before they are finalized, by either a formal or informal process.

The foregoing illustrate some of the commoner types of approaches which permit interested parties early input in the policy process before legislation is drafted. This advance participation is certainly highly desirable. Once Bills are presented in Parliament or the Legislature, the final opportunity for direct public comment is normally between the second and third readings, when a Bill has gone to a Committee of the House for detailed study. At one time it was relatively difficult for outside groups to participate in discussion at this stage, partly because of lack of advance notice, lack of copies of the Bill and an apparent luke-warm attitude by legislators on public intrusions into these committee discussions. Fortunately there has been a change for the better especially at the Federal level, and groups who file notice of interest in appearing, or who file advance submissions, are notified of hearings and assigned specific time on the agenda. This is certainly as it should be.

The foregoing are some of the formal mechanisms presently available for participating in the process which eventually results in new or substantially revised legislation. In the main, representations on legislative proposals, no matter at what stage in the process, tend to carry more weight if presented on behalf of representative groups. Individuals are not, and of course should not be, precluded from participation. Letters to the public press, or to Ministers, are always at least one avenue readily available to the individual citizen.

It should be noted, however, that by no means all Bills, and particularly not all changes in regulations under various acts, some of which are very broadly framed, are preceded by conferences, white papers, or discussion drafts of proposed legislation to which the interested segments of the public may react. Sometimes there seems to be no advance indication at all. At other times the advance indication takes the form of a press report, ranging from an unconfirmed rumour to a statement by a Minister, that such and such a policy is in prospect or under consideration. A recent example of this was an item in *Farm and Country* on November 9, 1971, suggesting a beef cow-calf assistance program in Ontario and an item in the *Manitoba Co-operator* of October 28, 1971, quoting Premier Schreyer to the effect that a Feed Grain Marketing Agency would be established in the province. Perhaps in a similar category also may be noted a November 11th press report of an address by Quebec Agriculture Minister Normand Toupin, in which the Minister indicated desired changes in federal feed grain assistance and pricing policies would be sought by his government.

It can be said, however, that there has been a trend, and certainly a desirable one, to bring more of the public policy process (including that for agriculture), more fully into public view and with wider opportunities for public dialogue and effective input from concerned segments.

Nevertheless, perhaps even yet the agricultural policy process retains to too high a degree the iceberg-

like characteristic of having too much of the process hidden below the surface. It is, of course, difficult to assess the degree to which policy for agriculture and food is being shaped, or at the least strongly influenced, by lobbying by pressure groups or by policy discussions within political parties either at their conventions or within caucuses. One can only hope that the trend is for present agricultural policy to be more determined by rationality and the merits of the case, than by narrow partisan, political considerations. A smoke-filled backroom at political conventions is hardly the place to frame policy of broad and lasting benefit to Canadian agriculture. Neither is it much more re-assuring, one may add, to think of the major part of agricultural legislation as being primarily conceived within the bureaucratic confines of government.

It is, of course, a particular Minister and a particular Government which eventually has to introduce and be responsible for a specific piece of agricultural legislation or in other words the official act of policy. But this does not, or should not, mean, and I think this is important, that the agricultural policy process be entirely politically oriented with no important part of basic policy formulation possible outside of government. A government mainly should select, in its wisdom, from the available alternatives and should not be the fountain-head of all policy initiations or at least proposals.

Ways of Improving the Policy Process

There seems little doubt of a wide measure of agreement within agribusiness that the agricultural policy process, while improving in recent years, still is far from perfect and merits serious efforts to make it more effective. The persistence of maladjustments within the industry, instabilities in supply, prices and income, defects in resource use, failure to achieve market potentials, and generally the lack of a more co-ordinated production-marketing systems approach, all point to defects in policy, and thus cast doubt on the process from

whence it springs.

An effective agricultural policy process should be expected to do all or most of the following:

1. First, and foremost, it should produce or result in policies which are not only effective, but seem just and rational to all those affected by them.
2. It should provide for a desirable degree of participation and input by all interested stakeholders who are qualified to make a contribution to policy formulation.
3. The process should be sensitive to change and forward-looking, recognizing long-range considerations and the need for over-all co-ordination between segments i.e., grain production and marketing policies should be related to animal agriculture.
4. There should be ample opportunity for constructive criticism and for the building up of general public support.

Rightly or wrongly, agribusiness in the past has felt left out, in varying degrees, of the policy process. This can also be put another way, namely that agribusiness has not participated in policy dialogue to the extent it should have, especially in a period of such dramatic technological change as has occurred within agriculture in this century.

No doubt part of this lack of participation can be attributed to shortcomings in or attitude or approach to policy matters by agribusiness itself. Only agribusiness groups can rectify these deficiencies, and some have already made considerable headway in this direction.

But over and above the past failures of internal origin within agribusiness to join more effectively in the policy process, and to demonstrate more genuine concern with the basic economic and social problems of the

industry, there have been external barriers erected. In the past, and to some extent even yet, agribusiness has been either rebuffed in efforts to join in agricultural policy discussions or given to understand that only voices in a minor key would be tolerated. Fortunately in more recent years these attitudes have been changing rapidly for the better on both sides and the old "adversary" system between the farmer and "middleman" is rapidly breaking down. This has followed from the realization that there are in fact today many legitimate stakeholders in the industry who may have constructive policy ideas. Thus the tendency for demagogues to use agribusiness as the whipping boy for farm marketing problems has markedly diminished.

This decided change of attitude toward admitting agribusiness more readily to policy dialogues has accompanied the growth of more effective and responsible agricultural and agribusiness organizations. The more direct involvement of primary producers in the marketing process through commodity groups, boards and commissions has brought them into closer, better-informed contact with processors and others involved in the marketing chain. Gradually the earlier pre-occupation with negotiation and bargaining power has broadened to a realization of mutual problem areas and the need for a broader input into policy.

This improved rapport and better, more businesslike working relationship between farm and agribusiness groups generally has also been matched by a more receptive attitude toward agribusiness firms and organizations by legislators and administrative agencies. The latter cannot fail to note that frequently representatives of farmers and farm-based industries are presenting similar arguments and may now often, in fact, join in joint representations concerning certain problems. A recent example of this was an informal discussion of potential pork industry policy needs in 1972-73 with the Federal Department of Agriculture by representatives of the Canadian Swine Council, the Federation of Agriculture, the Meat Packers Council and the Canadian Feed Manufacturers Association.

In the case of both recent changes in the hog grading system, and current proposals for changes in beef grading, the primary impetus has come from joint discussions by producer and processor groups, followed by joint recommendations to government. While grade changes hardly qualify as basic agricultural policy, the process by which such changes are being now effected, represent an important principle viz. having proposals first worked out in detail by the parties primarily affected, before the government is asked to implement them.

This is the primary trend, then, which agribusiness would like to see continue to develop, namely consistent closer communication with primary producers on policy matters as a first stage, followed by joint recommendations to government and legislators where a mutual consensus results.

Such a process essentially requires effective and responsible associations, permitting industry-wide representation and facilitating the practical mechanics of discussion.

In this time when consumerism is tending to gain in political influence while agrarian fundamentalism wanes, farmers and agribusiness should not only see the need for closer ties but also not overlook the need to develop and maintain effective communication with consumers.

Perhaps the chief criticism from agribusiness of the agricultural policy process as it has existed in the past is the fact that too often it has only been able to obtain access at the eleventh hour to policy discussions, if in fact at all.

Frequently the first indication of proposed new legislation, or of major amendments of existing legislation is when a bill is introduced by a Minister, and given first and second readings with very little notice. Due to the mass of legislation which Parliament or Provincial Legislatures often try to rush through before the

end of a session, perhaps caused by delays in the expected time table, the normal time between readings is often sharply reduced, and the opportunity for representation at the committee stage rather minimal.

A specific example of these difficulties was noted on page B-10 of the business section of the Globe and Mail of October 13, 1971. Reference was made to the experience of the Canadian Farm and Industrial Equipment Institute in trying to make representations on bills affecting the farm machinery industry, which the Legislatures of Saskatchewan and Manitoba had before them. The industry had no advance notice of the impending legislation, had great difficulty in securing copies of the bills when they were introduced, and had only a few days (i.e., less than a week) to study it, prepare a comment, get on the scene, and try to arrange to be heard. Too often in the past the experience has been very similar. Legislation importantly affecting agribusiness has been introduced, not only with no consultation or minimal advance intimation, but with entirely inadequate opportunities to be heard by legislators. About the only recourse in such instances is to despatch a protest wire, issue a press release, or try to arrange a consultation with the top level of government at the last moment.

One can, of course, sympathize with the problems of a government in achieving an effective legislative time table in the face of unpredictable opposition tactics and filibusters. But this should not, by the same token, be a license to rush through legislation with undue haste, with no reasonable opportunity for public reaction and representation.

One of the strong points of the American legislative system, at least at the federal level, is the detailed screening which bills receive by Senate and House of Committees. This affords interested persons and organizations ample opportunity to be heard as should be the case if there is serious intent to make the democratic process participatory in any real sense.

The recent Federal record in Canada is improving for affording more adequate participation in the policy process. As an example, while not directly in the field of agricultural policy, one may refer to the current dialogue on the Competition Act, or Bill C-256. This perhaps both illustrates a serious attempt to permit participation and the difficulty, even with lively communication, of achieving a consensus.

Briefly the background is that in 1966 the Federal Government requested the Economic Council of Canada to study and advise respecting policy for protecting the economic interests of consumers, including the present Combines Investigation Act. Various parties were invited to submit their views to the Council and many did. In 1969, the Economic Council submitted an Interim Report on Competition Policy. In due course a number of the basic recommendations of the latter report were included in Bill C-256, which was given first reading in the 3rd Session of the 28th Parliament, June 29, 1971.

It was then indicated this Bill would be allowed to die on the order paper of the Fall, 1971 Session, then be amended and re-introduced the next session. In the meantime further submissions were invited and the government has received a considerable volume of comment and suggestions, some quite critical of a number of the proposals. No matter what form of legislation eventually evolves from this process, it cannot be said that there has not been a rather full opportunity for dialogue.

In the field of agriculture, the experience with Bill C-176 respecting national marketing boards has some points of similarity re the Competition Act, but also some important differences. One important difference is that after appointing a Task Force to study and advise on agricultural policy, which body did comment extensively on marketing boards and interprovincial trade matters, the Government introduced national marketing legislation before the Task Force report was publicly released. Discussion on the Bill became active at the Committee stage, after it had passed two readings and it subsequently

had to be carried over into a further session, where it was re-introduced, for some reason without amendment. In the meantime the historic "chicken and egg war" broke out, and eventually the Manitoba Appeal Court and the Supreme Court of Canada handed down extremely important constitutional decisions on the interprovincial trade restriction issue.

In retrospect, it seems fairly evident that there was a very incomplete policy consensus on national marketing legislation before the original bill was introduced, and before there was adequate clarification of some of the basic constitutional issues involved.

Arising out of the foregoing matters, press reports have indicated that extensive discussions have been going on within the poultry industry, under the aegis of provincial and federal governments, respecting some type of national production-market-sharing plan. This appears to exemplify a "closed type" of policy process, where information is restricted. 1/

When part of this material was being prepared there was reference in the press to a meeting of Provincial Agricultural Ministers and Deputies in Toronto on November 19, 1971. This was reportedly to discuss a working paper prepared by Provincial Deputies on various major policy issues, with the recommendations arising out of this report then to be submitted to Federal officials at the time of the Outlook Conference. Subsequently, on November 23rd., the Toronto Globe and Mail carried a report indicating that sweeping revisions in the present agricultural policy structure had been proposed by Provincial officials.

1/ Interestingly the terms of reference of a public Inquiry into Egg Marketing (Ontario) referred to the "proposed National Plan" when no publicly available document was available outlining such a plan.

At least one Provincial Minister has recently suggested that in future more initiative in the development of agricultural policy will be seized provincially. If this is true, and the annual or periodic meetings of Provincial Ministers and Deputies assume additional significance, then it seems not unreasonable to suggest they should become more open sessions, with opportunity for a broader input and participation. At the very least, any detailed policy proposals or working papers resulting from their deliberations should be made public for study and discussion.

Summary and Conclusions

In summary, I feel the following points would indicate some of the ways in which agribusiness would suggest the policy process might be improved.

1. The over-riding essential is to have a competent, effective process which will result in an over-all policy, and constituent parts of it, which will be consistent with national economic and social goals. The present policy process, judged from the basis of actual results, fails to consistently meet this test. The best minds in agriculture or in relevant fields, should be enlisted in the policy process.
2. There should be a better opportunity for a more continuous input into the policy process by a wider segment of the industry by a combination of methods. Conferences, workshops, task forces, etc., all represent devices which can be used to arrive at a consensus of policy, but there are no doubt new structures such as National Annual Forums which could be devised to assist with the process. Agricultural policy should be divorced from partisan politics as much as possible, and provincial and regional policies co-ordinated with the national picture.

3. It is realized that since governments, under a democratic system, have to be politically responsible for the policies they legislate, they may not be able to freely and fully consult at all stages of the policy-making process. However, when proposed legislation is formulated and introduced, hopefully after a consensus has originally been established, it is important that the interested segments of the public, including agribusiness, have every reasonable opportunity to testify before legislators at the Committee stage, if they so desire.
4. The practice of issuing White Papers, or draft bills, prior to the enactment of legislation, is to be commended. Where this is done, agricultural and agribusiness organizations have an important responsibility to react constructively, otherwise the exercise is futile.
5. Competent and objective research on the results of policy continues to be a neglected field. Although organizing and financing such research presents practical difficulties, efforts should be made to overcome the problem. The problem might be less if a more multi-partisan approach to agricultural policy were adopted.
6. While there needs to be recognition in the policy process of the realities of bargaining for just terms of exchange between various segments of the industry in relation to their respective stakes in, and contributions to the whole effort, there must also be a closer realization of mutual interests. Today the agricultural-food production and marketing system is a complex and continuous process requiring close co-ordination with and orientation to, the needs of the market. Divisiveness between segments is a barrier to a constructive policy dialogue.
7. One of the hang-ups in the policy process is the natural competition which exists between commodities and between regions. For example, policy with respect

to animal agriculture conflicts with grains policy and a policy for the poultry industry involves consideration of comparative regional advantage. The policy process must recognize these realities and try to achieve better co-ordination through co-operation rather than regimentation. Agribusiness might be able to help producers overcome these clashes of interest.

8. Probably the most realistic basic approach to policy is by commodities. If a co-ordinated production and marketing system is the objective, which almost invariably seems to be the case today, then a pooling of the ideas, information and resources of all involved participants in that segment of the industry is required. An example of this approach was the Ontario Corn Conference held at Ridgeway last September. Similarly one could visualize a periodic national conference on the hog and pork industry, or the poultry or dairy industries, which would frankly and competently review in depth all aspects of production and marketing, and try to obtain the widest possible consensus as to sound longer-term objectives, policies and programs. This approach seems so straightforward and rational that it seems strange that it has not been used more frequently. Agribusiness certainly would welcome such a development.

In conclusion agribusiness is, I am confident, prepared to participate in a responsible way in the agricultural policy process if the door is open. Perhaps there should be less hesitation in knocking on closed doors too. Agribusiness firms depend for their existence on a progressive agriculture which produces efficiently and abundantly and at a reasonable margin of profit just as farmers depend on agribusiness efficiency in the supply of services and materials. Thus to the extent that policy can provide the climate and ground rules necessary for progress, all segments of the industry should have a mutual interest in the most effective policy forum possible; preceding the actual legislative process. When bills engender major public opposition it is a clear indication of inadequate advance preparation and lack of agreement on what is sought to be achieved.

THE CONSEQUENCES OF FARM ORGANIZATION FRAGMENTATION

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The Basic Position

That there is a large degree of fragmentation in the farm organization field in Canada is not debatable. There is debate, however, as to the extent that such fragmentation is inevitable and justified by the nature of the farming industry. There are general farm organizations, soil and crop improvement associations, breed associations, farm co-operatives, marketing boards, etc., and they all have distinct and specialized functions, to a greater or lesser degree. How well we are able to channel the matters of common concern and interest into a single co-ordinating body, to achieve a well-balanced, healthy, rational and progressive approach to farm policy development, at both provincial and national levels, is a matter of real concern to many farm leaders.

Some Fundamental Issues

Let us look first at some of the fundamental issues involved in any attempt to achieve a single policy co-ordinating body, and then identify some of the consequences of the lack of such achievement.

Perhaps the foremost major issue to recognize is the differing ideology among farmers, which often leads to differences in methodology. There are those who believe that the major breakthroughs in policy change can be achieved by reasoned well-documented evidence of the need for and prospective results of specific recommendations, presented in face to face consultation with those responsible for making or influencing directly the necessary decisions. On the other extreme there are those who believe that the only way to achieve meaningful change in policy is to create an emotional situation or confrontation which will bring the desired results

through indirect or even direct threat or coercion. In between these two extremes are all the combinations of pressure and persuasive tactics that can be dreamed up by men. Whatever the methods used, they are generally, but not always, indicative of the ideological beliefs of the practitioners. It is questionable, therefore, if the achievement of a single co-ordinated approach to policy formulation is likely to be achieved absolutely for any lengthy period of time.

While discussing the issue of ideology and methodology, one might reasonably identify the problem which exists for organizations involved in the policy co-ordinating function when they are faced with compromising their own policy positions to some degree. This is less of a problem for those organizations whose members have a conviction that farmers will enjoy better policies if their organizations work together to put forward a common policy position than if they leave it to governments, or others, to resolve the differences. Whatever the organization's conviction, the issue of compromise arises and has to be dealt with when considering co-ordination.

A second difficult issue is that of the differing levels of knowledge and sophistication among farm organizations. This may not appear to be a very vital problem area to many, but it looms large in this context. A single policy co-ordinating body, to be most effective for the general good, requires the inputs from those organizations it represents to be highly articulate, well-reasoned, and factual in order to properly present the issues and proposed solutions for general understanding and support. Where this input varies widely in quality or credibility resulting from major differences in the levels of sophistication within the organizations concerned, strains are created which make co-operation and co-ordination exceedingly difficult.

Another serious issue in achieving a single policy co-ordinating body is the matter of leadership. Most of the top elected officials in farmers' organizations

must have first concern for their responsibilities to that segment of the farming population which their organization serves directly. They seem to be exceedingly reluctant to take an active part in providing leadership to co-ordinating bodies at whatever level. This reluctance may be dictated by lack of time and opportunity or by lack of interest or experience in the more general policy co-ordinating field. Nevertheless it is an issue which interferes with the successful achievement of a single policy co-ordinating body.

Many farm leaders cite financing of such a body as a major issue. Every farm organization has difficulty financing its programs to some extent. The job of convincing a majority of farmers that the financial requirements are justified is as difficult a task for those organizations with fee collecting powers as for those without, although it is an easier matter to collect the fees after the farmers have been convinced. Nevertheless I believe that, over a period of years, whether the financing of a co-ordinating body is adequate or otherwise is mostly a reflection of the value such a body is believed to be to the farm organizations concerned.

A final issue, perhaps, in achieving a single co-ordinating body, is the matter of acceptable representation. This is a difficult area simply because the organizations to be represented vary so widely in their value of product, numbers of members, etc., on which representations may be based. Some say, "those who pay should have the say" -- others, "everyone should have an equal voice." Formulae have been used in the past but difficulty is often experienced in obtaining agreement on a formula.

A Case Study -- Fragmentation in Dairying

In the case of the Province of Ontario, marketing organizations of producers sprang up on a market and/or processing plant basis. Eventually these created and

became "locals" of a provincial organization -- and in some cases the latter was responsible for creating the former. The provincial dairy organizations, which were four in number, were there to co-ordinate the policy and some of the administrative functions of the local groups. The provincial organizations became members of the Ontario Federation of Agriculture (OFA), which is affiliated with the Canadian Federation of Agriculture (CFA). At the same time they helped to create the national commodity organization, Dairy Farmers of Canada (DFC), which is also affiliated with the CFA. Some Ontario dairy producers are members of the National Farmers Union, through locals of that organization. In addition, of course, many dairy producers are organized in cattle breed associations, artificial insemination co-operatives as well as many other organizations less directly related to the production and marketing of milk.

Some steps toward co-ordination of both dairy policy and marketing functions in Ontario were undertaken with the creation of the Ontario Milk Marketing Board, which replaced three of the four dairy commodity organizations and all of their market and plant locals. Ontario milk producers now have only one recognized voice when they speak as a commodity group. In reality, this move was not so much one of policy co-ordination as it was one of amalgamation of organizations of milk producers whose interests in the market place, through advancing technology, had become more and more the same. In many commodities, this duplication of organizations with basically similar interests is very much a part of farm organization fragmentation. The amalgamation of organizations with similar interests at least would reduce the problem to one of co-ordinating the policies of organizations whose reasons for existence are quite dissimilar. However, the degree of similarity in organizational interest which should bring about amalgamation of existing farm organizations, as opposed to them attempting merely to co-ordinate their policies, is a topic for lively debate whenever attempts are made to define it.

The Consequences of Fragmentation

Farmers will provide only so much money to finance their organizations. Unnecessary fragmentation means that these resources are dissipated to the extent that they are insufficient to provide as efficient and effective policy development as could otherwise take place.

Fragmentation results in the presentation of conflicting policy proposals rather than the development of rational, progressive and unified policy positions. This situation not only confuses farmers, but also allows governments to accuse farmers of not knowing what they want. It leaves open the opportunity for doing nothing or for others to decide on the policy course that is to be followed. In addition, it often confuses the public about the real nature of farm problems and what ought to be done about them.

Fragmentation gives the voice of minority interests a disproportionate weight in the policy development field. It allows matters of general concern to all farmers, such as farm credit, tax legislation, rural development and adjustment, to receive too little attention. It pits farmer against farmer and farm organization against farm organization, which dissipates resources badly needed in constructive effort, and does so in a society where the farm voice is becoming less and less influential in the political system, and which demands more reasoned argument and a higher degree of sophistication to be influential. It could result in farmers losing out on special legislative consideration of matters of importance to them when such need not be the case. It creates problems in the attempt to attract those with outstanding leadership ability to positions of leadership in policy co-ordinating bodies.

How the Situation May Be Improved

If talk means anything, and if limited action is likely to lead the way (e.g. Unifarm in Alberta, OMMB in Ontario), some progress is being made, but it is a slow and agonizing process.

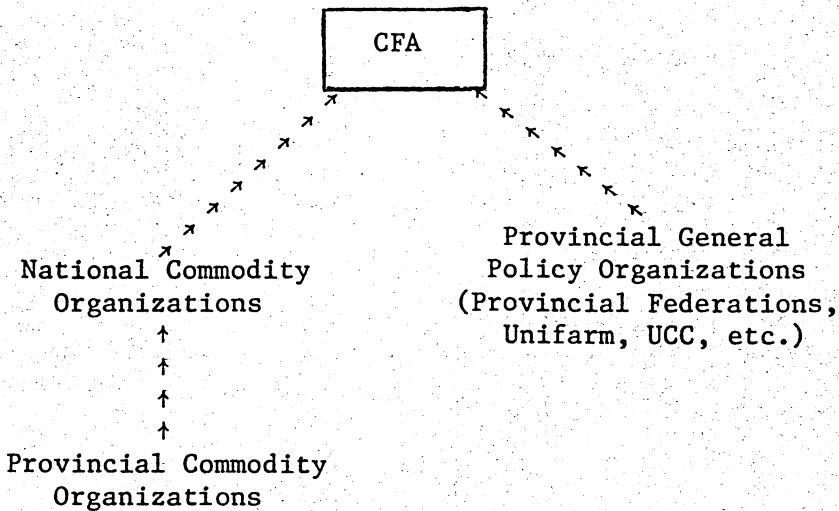
It would be difficult to dispute that the CFA is the most representative farm policy co-ordinating body in Canada. It needs to be strengthened in every way possible. This will require rather continuous activity by those who believe in the value of the co-ordinating function, principally at the provincial level and by the national farm commodity organizations. Jurisdictional authority in Canada is of such a nature that there is a need for strong representative provincial policy co-ordinating bodies. Because of the extension of legislative authority to provincial producer commodity organizations on a gradually widening basis, it seems that producers may be represented provincially in two areas -- one a commodity policy area (e.g. dairy, meats, grains, fruits, vegetables, etc.); and the other a more general policy area which is common to all farmers (i.e. taxes, expropriation, credit, rural community, etc.). Commodity organizations which operate in more than one province seem to be attracted to the formation of national commodity policy co-ordinating bodies (e.g. DFC, Swine Council, Horticultural Council, etc.) and for the most part, these have become affiliated with the CFA. For many years the more general policy organizations have been established in most provinces in some form, and have been co-ordinated at the national level (e.g. CFA). The idea that the final co-ordination should take place within one national organization could be accommodated by most farm leaders, I believe, and more importantly, by the farmers themselves, if they understood more clearly the issues at stake.

It occurs to me that advantage should be taken of the existing Canadian situation. Policy co-ordination should be encouraged in every possible way at the provincial level, and through the two-pronged approach, i.e. (i) commodity policy areas, and (ii) general policy areas. These should be co-ordinated nationally through one organization (CFA). Financing and representation must be established by an agreed formula.

This suggestion, to be implemented, would require some basic adjustments at both provincial and national level, and these might take place at different times in different provinces and with different commodities.

Opposition and criticism by minorities is a fundamental principle of democracy, and should not be legislated out of existence under any circumstances. This requires recognition of the fact that there may always be minority organizations springing up to represent views different from that of the majority. This should not be viewed necessarily as a bad thing, particularly if it keeps the majority farm co-ordinating body more in touch with reality at all levels.

National Policy Co-ordinating Body



It seems to me that this should be a prime pursued objective of CFA and farm organizations generally. It appears often that CFA just happens to exist. Perhaps this is because no other role has been advocated and promoted by its members. In turn this may be the case perhaps because the member bodies are too busy looking after their own direct concerns. If this is the case, it may be worth considering some different type of executive structure for CFA which would relieve a greater number of its key officers from the burden of attempting to fill two positions of major responsibility at the same time. Currently, the elected officers of CFA are

the elected representatives and often the key officials of provincial general policy organizations and/or national commodity organizations, and their first loyalties are to the organizations from which they come. It is conceivable that a small executive group could be elected which is made up of persons who have completed their responsibilities in connection with the organizations concerned and who would bring to CFA their experience on an undiluted basis.

Conclusion

Farm organization fragmentation prevents the achievement of a well-balanced, healthy, rational and progressive approach to farm policy development. Despite a lot of noise to the contrary, amalgamation of, and increasing co-ordination between farm organizations is taking place, but progress in this direction is slow and agonizing. Acceleration of the trend might be achieved by (a) giving it a higher priority in discussion at all levels, (b) some change in the structure of leadership of the existing co-ordinating bodies, and (c) acceptance of a co-ordination process which is in tune with the organizational trends of the times.

CONFLICTS AND COMPLEMENTARITIES IN FEDERAL- PROVINCIAL RESPONSIBILITIES AND PERSPECTIVES

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I. INTRODUCTION

At their annual conference in Edmonton, in July 1971, provincial Ministers of Agriculture decided to reject a program of adjustment in agriculture proposed by the federal Minister of Agriculture. The provincial Ministers insisted that adjustment cannot be achieved without integrated development. A committee was formed whose terms of reference provided for the preparation of an overall plan for the "Development of Canadian Agriculture." The proposed plan would cover integrated agricultural development, including farm income, marketing supply, farm credit, consolidation, adjustment, etc.

Some people in political as well as agricultural circles expressed surprise at such an attitude on the part of provincial Ministers of Agriculture, and, at the same time, asked themselves why the Canadian government would have second thoughts before implementing its program of adjustment unilaterally as the federal Minister had intimated would be done before the conference took place. After all, they said, there is such a thing as concurrent jurisdiction in agriculture and, according to the British North America Act, provinces cannot enact laws which are "repugnant to any Act of the Parliament of Canada." (5)

Recently, provincial Ministers have submitted to the federal Minister of Agriculture a definite proposal calling for coordination and concerted action in the development of Canadian agriculture. Can the Government of Canada accept such a proposal? That is a question which cannot be easily answered.

This simple but highly significant event serves as an illustration of how federal-provincial responsibilities can easily become sources of conflict in a field where complementarity should be the rule. Is it possible to avoid such conflict? How can we develop the idea of complementarity? I intend to make an attempt at answering those questions before discussing perspectives.

II. CONFLICTS

Conflicts in agricultural policy elaboration stem from three major legal constraints:

According to the B.N.A. Act:

- a) Education is the exclusive responsibility of the provinces (Art. 93).
- b) Local and intraprovincial trade falls within the limits of provincial jurisdiction (Art. 92, Clause 13).
- c) While public lands belong to the provinces (Art. 92, Sec. 5), the latter cannot make laws in relation to agriculture which are "repugnant to any Act of the Parliament of Canada" (Art. 95).

Education

In the field of agricultural education, the federal government gave the provinces grants-in-aid in 1912 -- they were known as the Burrell Grants after the federal Minister who introduced the legislation -- but these grants were discontinued in 1924. Lack of funds was given as the official reason (6) but the general feeling was that the true reason was the fact that some provinces were using these federal funds, which were supposed to be controlled, to organize activities, namely research, in which the federal government was already engaged (11).

During the late 1950's, unconditional grants for university development, based at first on the number of

students enrolled, and later on the overall population, were given to the provinces by the federal government. Recently, however, these grants have been incorporated with the federal government's share of the cost of maintaining professional schools and are paid directly to the provinces.

Ottawa and the provinces still have agreements on manpower which enable the Government of Canada to underwrite most of the cost of training in agriculture.

In 1970, the Federal Task Force on Agriculture expressed the opinion that a national policy for the distribution of milk in public schools would be unconstitutional (10).

These facts are an indication of how the Canadian constitution has been interpreted since the beginning of the current century with respect to education in agriculture.

Intra-provincial trade

It is a well known fact that the federal legislation on national marketing plans for agricultural products, adopted in 1934, was declared ultra vires by the Supreme Court of Canada. The same is true of the old federal legislation concerning oleomargarine (8).

More recently the legal right of the local Board of Products to negotiate the price for milk sold to the Carnation Company, in Sherbrooke, was officially acknowledged by the Supreme Court even though part of the processed milk products eventually entered the interprovincial and international markets which are under federal jurisdiction. In other words, intra-provincial trade having been declared, on many occasions, an act involving directly "Property and Civil rights in the Province," the Supreme Court had to admit the legality of the decision whereby the local Milk Producers Board negotiated with the Carnation Company in the Eastern Townships of Quebec (16).

These constitutional constraints on local and provincial trade prevent the federal government from enacting legislation with respect to the setting up of national marketing boards unless the provinces agree to delegate their powers to a higher authority. The proposed federal Bill C-176, the passage of which has been held up for almost two years, while the "chicken and egg war" is still going on, provides a good example of the difficulties which can arise when unanimous agreement cannot be reached by all the provinces in the matter of delegating part of their jurisdiction to the federal government.

Integrated agricultural development

In agricultural development outside the field of farm credit, the federal and provincial governments have been able to reach agreement on a number of joint programs without too much difficulty. Federal legislation on agricultural development (ARDA) which involves land development was introduced through agricultural channels. It was accepted by all provinces because of the urgent necessity of such a measure and also because of its great flexibility and its decentralized administration. It will apparently become even more acceptable to both parties under the recently signed agreement which provides for the creation of regional intergovernmental planning and implementing committees.

Farm credit

In the field of farm credit, difficulties have arisen from the failure of the original federal farm loan policy to adapt to the needs of marginal or part-time farming as opposed to those of commercial farming. Some of the provinces, Quebec in particular, could not readily accept the idea of eliminating the small farm operator without providing suitable alternatives. Many provinces are still deeply involved in one type or another of farm credit because they are firmly convinced that the financing of farms is so closely tied in with management and extension -- two of the fields in which provincial governments are heavily engaged -- that it cannot be left entirely in the hands of the federal government.

III. COMPLEMENTARITIES

It seems very normal that both levels of government participate in the planning, financing and directing of agricultural development programs, since each contributes a share of the funds necessary to the implementation of projects. Whenever federal and provincial governments can reach agreement on the implementation of a joint program, it is nothing short of amazing how the entire operation is simplified. Numerous examples of agricultural programs in which the federal and provincial governments participate jointly can be cited.

Crop insurance

In addition to the many ARDA projects, the Crop Insurance Program provides a good example of federal-provincial complementarity. The Canadian system is one which many people think could be applied on a world-wide basis to the less industrialized countries. The latter could reinsure with a world organization such as the United Nations or one of its agencies, like the World Bank, on the same basis as Canadian provinces reinsure with the federal government.

Emergency measures

Another good example of complementarity is the temporary appointment of a provincial deputy minister as federal Director of Agricultural Production within his province in time of national emergency, natural disasters, wars, insurrection, etc.

The federal government, maintaining only a skeleton staff in a few specialized fields of agriculture within the provinces, could never assume all the responsibilities assigned to it by the Constitution. It is perfectly normal that provincial deputy Ministers of Agriculture all automatically become civil servants under both governments and wear two hats during period of emergency. It is merely being objective and efficient.

Grading and inspection

Another example is found in the grading and classifying of agricultural products. The provinces on the one hand have authority to take on this responsibility within their boundaries. On the other hand the federal government provides the same services for the interprovincial and international trade. Once the federal government has adopted a set of basic standards, the provinces can legislate to regulate and adapt their own system of inspection to the basic federal requirements. Any provincial Minister of Agriculture may appoint a federal inspector or grader to apply the provincial regulations within the limits of a given territory in the province.

Research and extension

In the field of research and extension, co-operation between the provincial and federal governments has been moderately successful since the early forties when, following a "gentleman's agreement," the idea was generally accepted that the federal government would take over research; the provincial governments would be responsible for extension. However recent studies (14 & 15) have demonstrated that such an agreement often leads to preferential treatment for certain types of research and has contributed to the development of some disciplines, to the detriment of others, for instance as against economics, engineering and sociology. Furthermore, adaptive research or on-the-spot tests have been neglected by the federal authorities in provinces which carry on their own research program.

Federal-provincial co-operation also exists in the electronic farm accounting system (CANFARM) and in swine, beef cattle, sheep and poultry testing (12). However, there are still numerous fields in which this co-operation could be improved. Income stabilization, market supply management, farm financing, agricultural development, and advisory agricultural services (research, extension and information) are some of the major fields in which co-operation is immensely desirable.

Lack of orientation

In 1935, according to Gettys (6), the provinces attempted to have the former grant-in-aid of agriculture renewed at the level of \$1 million per year for a period of 10 years "to be expended by the provincial Departments of Agriculture, according to agreement with the Dominion Department, and under the supervision of an official of the Dominion Department of Agriculture for that purpose" (p.35). The Liberal government was, as in 1923, opposed to conditional grants because they could not be easily supervised, and the federal aid for agricultural education was not renewed.

Following the removal of the grant-in-aid to education in agriculture, in 1924, provincial governments continued to develop on their own certain projects previously initiated with the help of federal funds, namely in the fields of extension, teaching and even research. Federal services in livestock and plant production were set up but these could never really compete seriously with provincial organizations on the local basis. During the last two decades, these federal services gradually tapered off and the few remaining have recently disappeared altogether.

It was then decided to reconsider carefully the division of activities between the federal and the provincial governments. The Rowell-Sirois Commission (13) had emphasized this line of thinking in 1939. On page 173 of its report, it was stated that: "Although the division of activities which has been reached today is essentially the result of a long process of trial and error rather than design, it is not markedly different from what could be dictated purely by considerations of logic and efficiency." A little further (p.174) one reads: "When all the provinces once more find it possible to meet all those agricultural services which are logically of a local nature, it will be necessary to reconsider carefully the division of services between them and the Dominion, and the latter government may find it conducive to efficiency and harmony to retire from certain fields."

The Commission strongly recommended that provinces should look after "local aspects of research such as soil surveys" and "that research should be kept decentralized among colleges and individual workers as much as possible." However, the Commission stated that "research programs should be coordinated so far as consistent with the encouragement of individual enterprise, and these functions can only be adequately performed by the Dominion" (p.175).

In brief, had money been obtained from the federal government, it could have been used in a larger proportion to perhaps better organize agricultural teaching, extension and research, as was done in the United States, but most of the provincial governments and Ministers of Agriculture had no definite policy regarding agricultural research done by universities and provincial Departments of Agriculture.

Lack of co-ordination

One has to admit that in Canada there has never been a real effort to coordinate the federal and provincial governments so as to achieve a real team approach in agricultural development. Is this because the federal Government wants to undertake itself what provinces want to see done? The Rowell-Sirois Commission stated, on page 175 of its report, that:

"The practical use of research discoveries involves conveying them to farmers and in many ways the agency which actually makes the discovery is in the best position to pass the information along. In this way the experimental farms branch out into agricultural education and extension. These are, by and large, fields of provincial jurisdiction, and all provinces make some provisions for them through their own departments of agriculture and their agricultural colleges or university activities."

The coordination that was recommended by the Rowell-Sirois Commission never developed. A real trend toward centralization in the field of agricultural research took place during the Second World War and thereafter. No money was made available to provinces or to universities to carry on research in agriculture and federal in-house research was expanded greatly. Things have changed a little since 1960.

Fear of grants

The federal government seemed to have been influenced tremendously by Maxwell's judgement on federal aid. To him grants-in-aid "were ill conceived and weakly administered." On page 204, (11) he stated:

"The provinces were allowed to use the grants much as they pleased . . ."

"In certain cases the provincial governments were stimulated by the grants to enter new sorts of activities, but because this was done without control and co-ordination, the result too often was an overlapping and duplication of work already being handled by the federal government. Energetic provincial Ministers of Agriculture invaded certain fields, notably that of research, which the Dominion had already entered. To some extent this was inevitable, but surely it ought not to have been encouraged by grants-in-aid . . ." "On the whole the accomplishments of the Act were distinctly disappointing" . . . "Administration of the Agricultural Education Act, enacted in 1913, was dislocated by the war; that of the Technical Education Act, enacted in 1919, by the election of 1921. The new Liberal government after 1921 was faced by serious fiscal difficulties, and the grants for agricultural and technical education seemed to be an extravagant use of federal money" (p. 247).

Gettys (6) has expressed different views on federal grants-in-aid to provinces. He is much less inclined to be critical of them. Some of his relevant comments can be found in Appendix A.

Complementarity in the United States

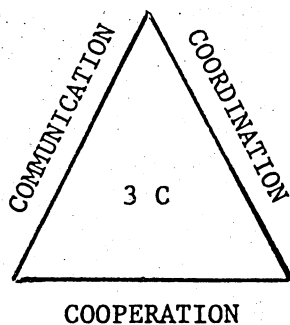
When one considers, for example, how the school lunch program is organized in the United States, one wonders why Canadians, could not achieve similar things in our country. On the other side of the border the federal government gives to the states grants-in-aid to organize the school lunch program. The grant is based on the average income per capita in the state compared with the national average income and the number of children in homes where the parents have an annual income below the so-called poverty line (\$3,940 for a family of four). The state and local school boards match the federal money at least in a proportion of three to one and organize the service (7). With due respect to the great effort of the states, it is the federal government that receives most of the credit for organizing the program. The U.S. National School Lunch Program is a good example of complementarity between the two levels of government. Why could not Canadians do the same to maintain citizens in good health and reduce the cost of medicare in our country?

IV. PERSPECTIVES

In the development of a sound Canadian agricultural policy, it should be feasible to arrive at definite agreements between the federal Government and the provinces. Would it not be possible for the federal Government to establish a real dialogue with provincial governments and interested partners and try to coordinate and orientate rather than dominate the agricultural policy?

Need for cooperation

Comparing what is being done in Denmark, England, United States and other European countries, with respect to the role played by farm associations in managing institutions and services highly subsidized by central governments, one wonders why Canadians have not made more progress in establishing decentralized coordinated structures in order to better manage the development of Canadian agriculture. Is it due to the size and the geographic diversity of Canada, to the pioneer spirit of its inhabitants, to the rivalry between the two levels of government that have concurrent jurisdiction and great responsibilities in agriculture? It is difficult to say, but one thing is sure, it is impossible in many spheres to obtain coordination and cooperation without communication.



There are lots of other fields where the triangle idea is a necessity. The three levels of government: Municipal, State and Federal is one example. In a democratic state, powers are divided among three authority levels: Legislative, Executive and Judicial.

The main reasons why the development of a sound agricultural policy has been so difficult in Canada can be listed as follows:

- a) desire of the federal government to see its participation clearly identified by users of its services;

- b) tendency for the federal Government to do it alone in order to fill the gap, and to withdraw from a given activity when the provinces engage in it themselves;
- c) desire of the federal Treasury Board to know in advance what will be the approximate cost of certain programs in order to balance its annual budget;
- d) necessity for the federal Government to fulfill specific functions and be more than a central agency collecting taxes and distributing money to provinces;
- e) inclination for provinces to organize their own services when those of the federal are considered too centralized and too distant from users;
- f) lack of an effective interprovincial structure to prepare documentation and make definite proposals to the federal Department of Agriculture;
- g) lack of effective dialogue and communication between levels of government, farm organizations and agribusiness when policies and programs are developed.

Consultation is active

At the beginning of the 1960 decade there was some improvement in dialogue between the parties interested in developing both national and regional agricultural policies; witness the organization of the Royal Commission on Agriculture in Quebec (3), the Ontario Farm Income Committee (4), the Federal Royal Commission on Farm Machinery, and finally the Federal Task Force on Agriculture (10). Two congresses on Canadian agriculture were held, one in 1969 and the other in 1970, in order to discuss the recommendations of the Federal Task Force, sometimes at great length (1 & 2).

The proposed agreement on sharing the Canadian market for eggs and chicken broilers was developed through the co-operation of producers and representatives from provincial and federal Departments of Agriculture. However, no major joint federal-provincial program with respect to integrated agricultural development has come into existence within the last five years. Will there be more joint federal-provincial programs undertaken now that provincial Ministers of Agriculture have submitted their proposal to the federal Minister of Agriculture in late November 1971? Only the future will tell.

The basic ideas behind the provincial Minister's proposal can be summarized as follows:

- a) Regional agriculture is too important economically, sociologically, and politically to let the federal Government alone look after the development of this segment of the national economy.
- b) Marketing legislation regulating interprovincial trade cannot be adopted by the federal Government unless provinces agree previously on the sharing of the Canadian market.
- c) Adjustment must be considered part of development in agriculture.

Some valuable decisions came out of the two-day dialogue between the provincial and federal Ministers of Agriculture concerning these proposals. Other points are under discussion which will necessitate a long exchange of views between the two levels of government. However, communication is active, co-operation is possible, and co-ordination may be achieved if agreement is reached.

Other definite proposals have been made to the Government of Canada concerning certain types of joint participation in specific programs related to agricultural development. For example, the reorganization of agricultural research has been suggested by a study group (14)

and endorsed by the Science Council of Canada (15). This reorganization would mean the setting up of a Canadian coordinating agency on which the interested partners would be represented (federal Government, provinces, universities, farm organizations and agribusiness). This agency would plan the development of research and make definite recommendations as to availability of funds to institutions (14 & 15). Another proposal has been submitted by the provinces with respect to farm credit and rural development. In that case, federal and provincial farm lending organizations would be integrated. Lending institutions would be financed jointly by the two levels of government, in proportions to be defined, taking into consideration capital investment, administrative costs and capital losses(2).

Improving consultation

More White Papers will have to be prepared by the federal Government, in co-operation with the provinces and interested groups, and discussed before announcing programs and introducing federal legislative measures in the field of agriculture.

The big question concerning how to improve the process by which policies are currently formulated is how can provincial and federal Governments better communicate and co-operate in order to co-ordinate properly Canadian agricultural policy?

Provincial Ministers have, on two occasions, formed working or ad hoc committees to consider matters between annual conferences which have been held since 1950. The first ad hoc committee was set up in 1967. Its terms of reference were to keep close contact with the Federal Task Force in order to let the views of the provincial Ministers be known to the members of this study group. The second committee was created, in July 1971, to prepare the document on the "Development of Canadian Agriculture" which was presented to the federal Minister of Agriculture, on November 22, 1971. Some of these recommendations were accepted and others are under study by a joint federal -

provincial technical committee.

In 1963, the (CASCC) Canadian Agricultural Services Co-ordinating Committee officially replaced, the old ad hoc Committee of Deputy Ministers and Deans of Colleges of Agriculture. Many national committees, which originally reported to CASCC, now report to the Director of the Research Branch. Only a few report directly to CASCC. This body facilitates consultation between senior civil servants of the two levels of government and Deans of Agriculture and Veterinary Medicine.

The federal and provincial Ministers of Agriculture sponsored, in co-operation with farm organizations and agribusiness, the establishment of the Agricultural Economics Research Council of Canada, at the beginning of the 1960's. At the outset, this body wanted to be big, independent and free from political influence. It was given realistic dimensions. It was an organism in which provincial Ministers had quite a bit of faith at the beginning. However, for some unknown reasons, the lack of interest of agribusiness made the financing of the Council very difficult and the usefulness of this body is now being questioned.

Can farm organizations, agribusiness and provincial Governments really expect that dialogue with the federal authorities is going to be adequate and satisfactory if they do not first study their problems adequately and try to reach agreement on specific points?

Personally, I firmly believe that provincial Ministers of Agriculture have to establish ad hoc working committees that will, in consultation with regional intermediate groups, study problems and come to national conferences with well documented files and definite recommendations which can then be discussed with the federal Minister. In other words, they should do as they did in the summer and fall of 1971; agree on recommendations before they express their views to the federal Minister of Agriculture.

Place for hope

Some are afraid that, if there is no change of attitude within political circles on the role which each level of government will play in planning and implementing agricultural programs, Canadian agriculture problems may not be solved for years. However, there are signs of evolution and therefore, there is hope that things may improve. The communication process has started, co-operation is developing, and co-ordination may be achieved. Carefully planned joint federal-provincial programs could happen in agriculture, a field where many well planned pilot projects could be initiated. Basically, many provincial proposals submitted are of the type which could be implemented under the new Rural Development Agreement, but it may be better to have specific legislation in some cases to define precisely the responsibilities of each level of government.

V - C O N C L U S I O N S

Minor conflicts in federal-provincial responsibilities are unavoidable under the Canadian Constitution because it contains severe legal constraints regarding agriculture. It must be remembered that education, local trade and land ownership, which are fundamental in the development of agriculture, fall under provincial jurisdiction.

Furthermore, Canada is a large country; important markets are located in the central provinces (Ontario and Quebec), and regional groups of producers are powerful.

In spite of the fact that agriculture is a field of concurrent jurisdiction between the federal and provinces, it must be agreed that some very valuable effort has been made by the federal and provincial governments to set goals, define objectives, share responsibilities and establish separate and joint programs. However, there are still fields where complementarity has to be encouraged and joint programs developed in order to better fulfill the needs of agriculture.

There seems to be no way of improving the actual situation unless the two levels of government either agree to modify the Canadian Constitution, in order to give more powers to the federal Government, or decide to develop jointly - with the collaboration of producer organizations and agribusiness - a Canadian agricultural policy. The latter option seems to be the most desirable for the time being. Is there a serious reason why the two levels of government could not set up a properly constituted body whose terms of reference would be to elaborate joint policy proposals for the development of Canadian agriculture?

APPENDIX A.

GETTY'S COMMENTS ON FEDERAL GRANTS-IN-AID TO PROVINCES (6)

"Roughly estimated from the data on annual allotments for specific items for the entire period of the grant, about 30 per cent of the total grant was apportioned for the use of agricultural schools and colleges; 10 to 15 per cent for elementary education; 50 to 55 per cent for instruction and demonstration, by the district representatives; 3 per cent for women's work; and 2 per cent for veterinary colleges" (p.32) . . .

"Therefore, unconditional cash subsidies had been paid to the provinces to enable them to carry on activities of internal administration. . . and the expenditure of such subsidies had been left entirely to the provinces without accountability to the Dominion" (P.33). However, "limitations were placed on the provinces in that plan and proposed expenditures had to receive Dominion approval before funds were available" . . . "Regulations by the Dominion were authorized; inspection of provincial undertaking, audit of expenditures, and withholding payments were all entrusted to the Dominion. These controls were exercised under the agricultural grant less extensively and less rigorously than with respect to some of the succeeding conditional grants" (p.33) . . ."

The author stated that the inauguration of services of agricultural representatives in all provinces, except Ontario, "was one of the outstanding accomplishments of the federal Act" (p.30).

Gettys (6) could not help but make a comparison between the way federal grants-in-aid for agriculture were organized in the United States and Canada.

"The extremely wide range of activities carried on under this grant reflects a sharp difference between the Canadian Agricultural Instruction Act and similar federal-aid legislation in the United States. In Canada, the grant was available for objectives as far apart as elementary agricultural instruction and scientific agricultural research by the provincial universities. In the United States, separate acts provide funds for different purposes: the Office of Experiment Stations administers grants for agricultural research, the Office of Education makes grants for secondary agricultural instruction. The situation in United States indicates, in part, a higher degree of specialization in governmental functions but it also results in a more complete federal determination of what shall be done by the states. The scheme employed in the Canadian Act permitted greater discretion within the province in selecting points for emphasis in the agricultural program -- a flexibility which does not exist in the United States. To avoid waste, however, it seems plain that the grant of broad discretion must be accompanied by careful federal administrative review" (p.31).

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INFORMATION NEEDS IN POLICY FORMULATION AND EVALUATION

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Staff units for policy and planning have become an integral part of organizational structure. Planning groups are almost standard equipment in private corporations, and the number of them functioning at various levels of government and in public institutions is increasing. The acceptance of staff units whose terms of reference are to deal with policy matters and planning has accelerated greatly in the past ten years for a number of reasons which include the following:

- 1) developments in management technology have provided tools to deal with the interaction of variables and with risk and uncertainty in a way that greatly increases the ability to manage complex systems;
- 2) the expansion of awareness of the social and political dimensions, in addition to the economic and the technological in industrial planning and policy, has broadened the range of factors for which management is held accountable;
- 3) the accelerated rate of change in the variables, particularly technology, has increased the obsolescence rate of technology, machines, skills, and organizational structures.

The developments in management technology have provided a substantial improvement in the tools to deal with the interaction of variables, probability and information flows in a complex system. The new information

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generated by the management technology has greatly increased the knowledge of the dynamics and interactions, and the power to control all parts of an organization. This enables management to view the organization as a system in which management's role is to control a complex system characterized by variety rather than simply managing machines, men and money in a line organization. That concept of management greatly increases the importance of professional planning and policy, and with it comes the need for information to support the process.

The second point concerns social and political awareness. It is only recently that industrial planning and policy-making had to pay serious attention to factors other than those related to technological and economic matters. But now the social and political issues, with all the imprecise qualitative and difficult-to-measure variables characteristic of issues in these areas, have advanced from their background status to a front rank position. Who would have thought ten years ago that institutions would have developed the sensitivity to social and political variables which now permeates the decision making process? Consumerism, the rights of minority groups, pollution, environment, income distribution and social costs have now been elevated as public issues, so that all organizations, private and government, have to include them in the planning calculus. Therefore, it is understandable why planning and policy-making has to be given more resources and put on a permanent basis within public and private institutions. In addition to the internal complexities which these considerations introduce, they also force organizations to accept a wider social participation in decision-making, and to give greater weight to non-measurable qualitative considerations.

The third point relates to the time dimension. As society has moved through major social changes such as the Agricultural Revolution, the Industrial Revolution and the decline of the feudal system, the rate of change has been slow enough to permit human institutions to evolve. Even so the process has been traumatic during

various stages in the social evolution. Now the world is confronted with exponential rates of change in major variables such as technology, in the growth of world population, in the depletion of resources and dispoiling the environment, that taxes the imagination to envision the adaptation of institutions to manage these changes.

The result, on the one hand, is that the continual growth of technology in the computing-communication area has made organizations better able to cope with the forces of change. In that sense a greater degree of certainty has been introduced into planning and this leads to the possibility of inventing the future rather than merely forecasting by extrapolation. On the other hand, the rapid rate of change, coupled with greater social and political involvement, enhances the degree of uncertainty. Thus one who holds that the variables can be managed so as to invent the future is confronted with the fatalistic view that the course of events is too rapid and too complex to be manipulated to achieve a meaningful planned optimization.

The preceding paragraphs briefly indicate that planning and policy formulation and evaluation must recognize that new powerful analytical tools are available in management technology, that new complexities of social and political awareness exist, and that the rate of change in all variables has been telescoped thereby increasing the urgency of decision-making. The result is a danger that the greater complexity in the variables, combined with shortening the time factor, may prevent society from making use of the power inherent in modern technology to manipulate the variables so as to maximize the total social benefits.

Information Needs

Planning and policy-making consists of setting up goals, subjecting the information concerning the economic, technological, social and political variables to cross-impact analysis so as to emerge with a set of alternatives

for the future out of which specific plans policies and projects are selected. The information needed for planning, policy formulation and policy evaluation falls into five main areas - economic, structural, and organizational, technological, social, and political. Within these areas the nature of the variables is such that the information ranges from objective measurements to the most subjective type of value judgements and opinions. The following is a list of topics on which information has to be forthcoming to support policy making, planning and policy evaluation.

The flow of information on basic economic variables within agriculture, such as supply, demand, and markets, costs, the infrastructure and the resource needs of agriculture, must continue and its volume and quality increased. This is the raw material which is mostly used in dealing with matters of agricultural policy.

The area in greater need of expansion is the knowledge about the impact of macro forces in the economy upon agriculture. Those concerned with agricultural policy should have more information about issues such as taxation, foreign exchange rates and inflation. Each of these profoundly affects agriculture, yet too little attention is paid to them in the process of policy formulation for agriculture. The tax system in Canada has gone through a major re-examination in the past few years and new policies have emerged which have major economic and social significance. Yet agriculture's contribution has not been to the major social issues, such as the distribution of the burden or the source of taxation, both of which will affect demand, costs and income distribution, but rather to the impact of specific measures, such as land valuation in relation to capital gains and particular features of cooperatives relevant to taxation. On the question of inflation, agriculture's input into policy formulation and evaluation has not gone much beyond favoring policies to hold back increases in the general price level. But the issue of inflation is much wider than that - how does agriculture live with inflation? - what are the cost-benefits of inflation? Perhaps supp-

ressing inflation is not the best policy for agriculture. Neither has agriculture expressed views based on indepth analysis about the exchange rate, yet a substantial part of its revenue is from export sales, nor on the major issue of the import of capital which has major trade-off features to be considered. For example, the benefits of the inflow of capital from agriculture's point of view has to be set against the fact that it tends to increase the value of the Canadian dollar, which makes it more difficult to export and easier to import.

In international agricultural trade Canada has been well behaved, adhering to policies of incidental subsidies internally and good manners in selling practices abroad. These policies of being gentlemanly in world trade and of taking an outward looking approach to domestic agricultural policy are now being more seriously challenged than ever before. In this area much more information is needed for economic and political evaluation of the alternative routes in these fundamentally different approaches.

The socio-economic areas are assuming a greater degree of importance in policy and planning for agriculture. One of these is the distribution of income which is rising in the hierarchy of national issues. But when it comes to determining the cost, the social benefits or the regional impact of (say) a national guaranteed minimum income policy on agriculture the information available falls short of what is needed for such evaluations.

There is considerable information available on land use in the traditional agricultural sense. But land use is attaining increasingly greater social significance and there is much need for information about land use in the broader social context. For example, how is the value of land as open space captured for the benefit of society? Related to this are issues on the pollution front with which the public has become very concerned because it has discovered that some of the costs of economic growth have been avoided as private costs and now have emerged as social costs. The results of failing to take all costs into account have now reached the level of unacceptably

loading the environment with foreign material, leading to serious implications for the preservation of the national heritage of air, land, and water. The cost of coping with environmental problems and pollution already at hand will reach staggering amounts, and for the future one can be certain that the public will insist that they become part of the cost of the particular industries which are associated with pollution. Costs related to food safety and some aspects of pollution will fall on agriculture, but how much this will add to agriculture's production costs is information that is not now available.

In the areas of employment and capital use, policies for Canadian agriculture have been based on the objective of using as little labor and as much capital as possible. The singlemindedness of this policy approach has been caught short by an increase in interest rates and the high unemployment rate of recent years. Moreover, the problem of coping with unemployment will be even greater in the '70's with the large numbers in the employable age groups coming on the labor market. It is certainly relevant now to consider the consequences of shifting from the polar policy position of maximum capital-minimum labor in agriculture to something less extreme, and information needs to be assembled to rationally examine this subject.

The structure and organization based on small business family type units is strongly defended. Its competition comes from the corporate type of structure which has been successful in both public institutions and private business. Agriculture is a major industry that remains conspicuously outside the corporate structure in its business organization. As it stands the defence of the family farm in Canada does not rest on a strong informational basis nor do any predicted consequences of the introduction of the corporate structure into farming.

In the area of technology I would single out the opportunity to make impressive gains in management technology because farmers have scarcely begun to use the management techniques, now commonplace in many industries, which are based on economics, mathematics, statistics, and

computer science. Information is needed to formulate a policy to introduce these techniques and to make them a part of farm decision making.

Social and political considerations enter into all of the above examples. The variables in these areas are not easy to measure - for example, the rejection rate by farmers of seemingly rational, logical policies suggests that the policies are not in tune with farmers' attitudes and aspirations. The interface between agriculture and other sectors of the economy on matters such as bearing the responsibility for pollution or coping with the poverty problem is not well understood. The same applies to developments which are primarily political such as consumerism, or social such as urbanization, or issues that are really way out such as the challenge to the work ethic.

The preceding discussion should be regarded as an outline and a series of examples rather than an attempt to provide a comprehensive review of information needs in the areas most relevant to planning. Two considerations are paramount - the information needs have expanded because the range of variables to be taken into account has broadened - the urgency of obtaining them has increased because the time factor has been telescoped by the rate of technological change. The new setting emphasizes the impact of decisions beyond the individual firm or industry. This advances the place of external economies and diseconomies relative to internal economic and technical considerations in agricultural planning, and give a higher status to social and political variables. Consequently, the relative importance of information on opportunity costs, shadow prices, external economies and diseconomies, social cost-benefit ratios, the formation of political attitudes and qualitative effects has been enhanced.

SOME CONCLUDING OBSERVATIONS

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It is not my purpose to attempt to summarize the keynote papers or the deliberations of the discussion groups in a systematic or comprehensive fashion. Instead I propose to identify one or two insights which I have acquired and conclusions which I have reached, and make some supplementary comments. My insights are probably blindingly obvious to most of the participants in this Workshop, but they are not necessarily obvious to a relative newcomer to the Canadian scene.

A newcomer to Canada is constantly reminded of the decisive importance of the Federal-Provincial relationship and made aware of the demarcation disputes that arise from the division of authority and responsibilities. More particularly, I wish to say that I am disturbed by the way in which the senior government is not given credit for having responsibility for all of Canada and all of its citizens, and further that I am alarmed by the tendency of some to refer to the Government of Canada as though it were a foreign and hostile power.

Don Richmond did us all a great service by tracing the centralizing tendencies that are going on in the government of modern Western societies, and particularly by showing us how power is moving out of the hands of the legislature and into the hands of cabinets, "inner groups" and administrators. He further drew our attention to the possibility that

"reforms" in the structure of government, and the introduction of management systems like PPBS, might be strengthening the hands of bureaucrats and technocrats at the expense of the influence of those who legislate for, or are affected by, public policies.

I was impressed by the deep suspicion that has been evident in this Workshop of the technocracy and the bureaucracy. The economist-bureaucrat and the economists in academe were singled out as being particularly dangerous animals. To a degree I can agree with this judgement. There is no doubt in my mind that the economists' participation in the policy process tends to introduce a specification bias in the way in which problems are identified, and a prescriptive bias in the type of solutions recommended. Economists characteristically over-emphasize the goal of efficiency and fail to give sufficient weight to the desire for security, stability, and control over the course of one's destiny, that all of us as individual citizens and members of organized groups seek.

So far as the role of the bureaucrat is concerned, few of us can still believe that civil servants are the neutral tools of politicians. They are not. As David Kirk stated, they are very active participants in the shaping of the policy process. I would go further, and suggest that they have perceptions and ideologies of their own. If true, this is important because, as Don Richmond showed, the evolution of government is giving civil servants increasing power in the making of policy. I'm sure that this is not healthy for democracy and would personally feel more at ease if their prime roles as administrators and advisors could be reaffirmed.

We must all by now be aware of the complexities of the issues that are involved in the formulation of

policies for the development of the Canadian agricultural and food system and for improving the well-being of the people of rural Canada, and of the large number of groups who are legitimate stake-holders. Furthermore, we have seen that these numerous stake-holders have diverse ideological values and that there are genuine differences in economic goals at the sectorial, regional and commodity levels. There is no way of avoiding these differences. Hence it is inevitable, that in the ultimate analysis, policy must emerge from an adversary process. However, I am left with the impression that in recent years there has been a progressive decay of consensus on policies for rural Canada. There was a time when the issues and concerns were more simple. We legislated for farmers, and that was it. As the circle of interest groups has widened, and the complexity of the issues has multiplied, consensus has been increasingly difficult to achieve.

George McLaughlin did a particularly fine job of putting his finger on the causes and consequences of farm organizational fragmentation. If this issue cannot be resolved farmers will continue to experience participatory and prescriptive paralysis.

Assuming that the more extreme differences between farmers groups can be resolved, and that farmers are provided with opportunities to participate in policy-making, then we can concur with another recurring theme of the discussion groups and the papers, namely, the decisive importance of access to information. That is to say, effective participation requires access to information on alternative views of the nature of problems, on the options that are available, and on the impacts of the alternative programs and instrumentalities that have been or might be, proposed. It was stressed that to be meaningful access to information is required early in the policy process, and certainly before the instrumentality-design stage.

We stressed the urgency of more objective and quantitative policy analysis prior to policy formulation. This was a reaction to the deficiencies we perceived in the traditional "adversary politics" process, and it has been described as a movement towards "deliberative" or "systems politics". Essentially what we were suggesting was that when confronted with an issue, all the stake-holders should get together; conduct themselves as reasonable men; specify the nature of the problem; articulate the goals; identify the alternative options; analyse the impacts of each alternative; and then make a rational choice. I agree that there is room for more of this. On the other hand, I think that we were to a degree, excessively naive. There is another view of the policy process which would suggest that policy making must necessarily be a very imprecise exercise, and that it cannot lend itself in practice, or in totality, to this Tinbergian approach. Elections do not give politicians an unequivocal and detailed mandate. We don't all agree on what our goals are, and never will. Values frequently cannot be clarified prior to action. The options are not always identifiable in advance. Cost-benefit ratios are not usually assignable to the various alternatives ex ante because the costs and effects of policies are frequently not all known in advance of the latter's implementation. Policy formulation is commonly not a positive sum game; in most circumstances some are going to lose and some are going to gain. For these and similar reasons "systems politics" cannot substitute for the political process; it can at best supplement and improve it. Thus, we can expect to have to continue to live with "the broad platitudes, the muffled formulations, the encompassing compromises" which emerge from between "the hammer of organized pressure groups, the anvil of electoral opinion, and the constraints of the administratively feasible".

Farmers' active participation in any expansion of the deliberative process is impeded by the gulfs that separate them. They differ in dogma, in their views of the efficacy of consultation and confrontation, and in economic interests. Despite all the high sounding phrases that we have uttered, and worthy recommendations we have made about the need for further collaboration between farmers' organizations, it is idle to think that farmers' organizations are in fact going to sit down together, agree on what policy should be, and present a united front to government.

Moreover, with a few exceptions, Canadian farmers' organizations are not equipped with the in-house capability, in terms of secretariats and technical staffs, to participate effectively in policy-making. Those of you who have seen the large, well-trained, and dedicated, economic secretariats which the National Farmers Union or the Milk Marketing Board of England and Wales have at their disposal will understand and concur with the point I am making. These organizations have staffs which are as competent in generating, using, and interpreting information, in weighing program and policy proposals, and in devising alternatives, as are the civil servants of the government departments with which they are dealing. The capability of the in-house staffs of farmers' organizations in Canada is currently minimal. Indeed, if governments were to turn to them and say "All right, join us in solving this problem; what information do you require, and how do you propose to use it?", most of them would be hard put to respond.

Throughout the Workshop we have stressed the need for continuous ex post evaluation of the policies and programs that are evolved for rural Canada. Don Richmond's proposals for strengthening the role of, and "beefing up" the resources available to, legislators are very helpful. But we need more than this.

Modern, centralizing, societies should deliberately cultivate a set of "loyal intellectual oppositions". One of these loyal intellectual oppositions should certainly be within the legislature in the form of better informed opposition members. We should also have a loyal intellectual opposition within government itself by establishing departments concerned solely with program and policy evaluation. Perhaps Treasury Board does just this; if so, it is regrettable that we did not include a paper on the work of this Department in our Workshop. Farm organizations can function as loyal intellectual oppositions if they acquire the staff capabilities. But beyond these, we should value and nurture external, disinterested, and autonomous loyal intellectual oppositions. The Economic Council of Canada, the Agricultural Economics Research Council of Canada, the Institute for Research on Public Policy, and the universities, are examples. These bodies should not be regarded as hostile and troublesome, but as valued parts of the policy nexus. As such they should be accorded both autonomy and access to information.

In retrospect, I regret that no consideration was given in the Workshop to the recommendation of the Federal Task Force on Agriculture that there be established a National Agricultural Advisory Council, which would meet periodically for the systematic evaluation of particular problems, policies, and programs. This recommendation should have been systematically explored.

It has been said that a conference is an occasion at which people who individually can do nothing come together and collectively decide that nothing can be done. I don't think this was true of this Workshop. The papers and discussions achieved a well balanced mixture of complaint, analysis and prescription. Amongst the concrete suggestions that

emerged were proposals for legislative reform; proposals for farm organizational reform; the stress on the need for Provincial-Federal dialogue; the demand for more access at an earlier stage to information; support for more analysis before policy is formulated; and a plea for more continuous evaluation of existing programs by government, by farm organizations' in-house groups, and by independent bodies. We also emphasized the need for farmers to seek new alliances, and the urgency of their strengthening their own in-house research and presentational capabilities. More generally, we focussed attention on a matter of critical importance to Canadian agricultural and rural society, and I think that each of us has improved his perception of the policy process and the key elements in it. This has not been a negligible accomplishment.

One final thought. We have emphasized repeatedly in this Workshop the distance that exists between farmers and farm organizations on the one hand, and politicians and civil servants on the other. It would be a pity if we lost sight of the mutuality of interests that exists between these groups. The Minister of Agriculture is the farmers', the agribusinesses', and the rural community's best friend. Ministers of Agriculture - who are under great pressures from their Cabinet colleagues in an increasingly urban-industrial society - need all the help they can get from their constituencies. I believe rural groups should more frequently seek opportunities to be conciliatory, helpful and useful. The relationship between farm organizations, agribusiness, rural groups, and the provincial and federal Ministers is the most important alliance that exists in Canadian agriculture. They would be well advised to cultivate it.

