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The Erosion of Elite Accommodation and the New System of
Lobbying and Decision Making in Canadian Government

James J. S. Ondrick

A Thesis
in
The Department
of
Political Science

Presented in Partial Fulfillment of The Requirement
for the Degree of Master of Arts at
Concordia University
Montreal, Quebec, Canada

September, 1991

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ISBN 0-315-68755-X

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ABSTRACT

The Erosion of Elite Accommodation and the New System of Lobbying and Decision Making in Canadian Government.

James J. S. Ondrick

In the 1970s and 1980s academic attention has been drawn to the proliferation of interest groups in Canada and their participation in the political process. This thesis examines the phenomenon of lobbying activity in Canada and the impact it has had upon the decision making process. In response to organized public lobbying activity, a number of executive, parliamentary and bureaucratic reforms have been implemented which have had the larger implication of creating a more competitive policy process and a restructured decision making system.

The case of the lobbying activity surrounding Bill C - 51, An Act to Prohibit the Advertising and Promotion and Respecting the Labelling of Tobacco Products, demonstrates that there has been an erosion of the traditional process of elite accommodation in favour of a new system which on occasion, reveals a more balanced spectrum of participation and political clout of many diverse segments of society. Within this new system, participants utilise parliamentary and extra - parliamentary devices to shift the focus of executive attention to public opinion and to create a new dimension in the decision making environment.

To my mother and the memory of my father.

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Chapter I: Introduction

The subject of this thesis is the relationship between lobbying activity and the structure of the decision making process in Canadian government. More specifically, the thesis represents an attempt to evaluate the impact of the proliferation of "lobbying" activity on both the political and administrative process of decision making in Canadian government. The focus of the thesis is to evaluate the extent to which "lobbying" activity has been responsible for an erosion of the many elements which make up the traditional elite accommodation system of decision making in Canadian government. The intent of the thesis will be to demonstrate that the development of many forms of broad based "lobbying" activity has brought about an erosion of corporate influence in the traditional elite accommodation system pushing this long standing system towards a slightly different and somewhat more competitive decision making process.

In The Insiders: Government, Business and the Lobbyists, John Sawatsky asserts that "Over the past twenty years - and especially since Brian Mulroney's accession to power in 1984, the Canadian political system has changed completely.¹ Sawatsky attributes these changes to the recent proliferation of lobbying activity in the nation's capital. The tremendous growth in the number of interest groups and government relations consultants in Ottawa over the past twenty years, begs a serious academic question. This question being: what impact has the development of widespread and intense lobbying had upon the decision making process in Canadian government?"

In this thesis, the importance of lobbying activity as a variable that best explains how and why government decision making structures were first designed to facilitate elite access and accommodation will be stressed. The erosion of this long standing elitist system will be documented with an analysis of the lobbying efforts surrounding Bill C-51. The implications of many reforms in the decision making process will also be examined. In addition, a number of other factors which help to explain the transformation of the policy process towards more competitive pluralism will be outlined. The purpose of the thesis is to document the erosion of what Presthus has defined as an "elite accommodation" system, in favour of a much more competitive, and complex decision making process. In conclusion, questions surrounding the implications of this transformation with respect to the democratic process and effective administration of government will be addressed.

This thesis does not attempt to argue that all the facets of the Canadian elite accommodation system have ceased to exist. Rather, it will be argued that this long standing process has undergone significant change, leading to a new system, which under certain circumstances reflects competitive pluralistic realities. Indeed the influx of organized interest groups and other forms of lobbying activity has lead to a number of reforms and alterations in both the political and institutional aspects of the policy making process. This has abetted the erosion of the traditional system of elite accommodation and exceptional corporate elite access and influence, and has helped to create a new, more open, and participatory system, containing some of the

elements found in a competitive pluralist state.

In this thesis, "lobbying" will refer to any attempt by an individual, or group of persons to influence public policy. As such, this definition includes the whole spectrum of participation found in the Canadian political process. Informal and formal meetings with Cabinet Ministers, submissions to Parliamentary Committees, interaction with the media, demonstrations and interaction with the civil service are some activities contained within a general definition of lobbying. Following Thompson and Stanbury, "lobbying" will be taken to be:

The stimulation and transmission of a communication, by someone other than a citizen acting on his own behalf, directed to a government decision maker with the hope of influencing his decision.²

The working hypothesis which underlines the thesis holds that the recent increase in lobbying activity is primarily responsible for how and why the elite accommodation system has eroded in favour of reformed decision making and administrative structures as well as a new policy process. The thesis will chronicle how the influx of lobbying activity has led to the development of a new decision making environment where both political and bureaucratic reforms have taken place. The manner in which this new system functions and its differences from the previous system will be outlined. Both the benefits and deficiencies of the new process will be addressed and the conclusion will demonstrate that the long standing system of

elite accommodation has indeed felt the force of a variety of new political realities and has evolved to reveal the impact of participatory and competitive interest group lobbying.

The following statements sum up the argument that will be formulated throughout the thesis:

1. Over the last thirty years, the traditional system of elite accommodation has been eroded.
2. Organized lobbying activity is a significant factor involved in the implementation of reforms in both political and administrative decision making structures in Canadian government.
3. There has been a considerable evolution in both the volume and the very structure of organized political participation in Canada. The policy process has moved toward a more complex, technical and structured process, allowing the competition of a larger and more diverse number of participants than ever before.
4. In addition to reforms in governmental decision making structures aimed at facilitating broad based participation in the political process, the dominance and influence of the elite accommodation process is being challenged by the utilization of extra-parliamentary, "public" lobby campaigns being conducted by a diverse

collection of interest groups. These groups attempt to utilize the media in such a manner as to influence public opinion for or against a government policy, and then use the power of public support as a lobbying tool in applying political pressure on decision makers.

In order to substantiate these general claims, a number of key indicators will be considered and analyzed. Among which, the case of Bill C - 51 and the tobacco industry will be used to illustrate the reforms that have taken place in the decision making process and its impact upon the larger political lobbying process. The impact of the proliferation of organized interest groups upon administrative structures will be illustrated with an examination of the creation and evolution of the organizational structure of The Department of Consumer and Corporate Affairs. In addition, the creation of new parliamentary devices and government bodies, as well as the development of new political realities will be examined in relation to the proliferation and subsequent increase in the visibility and relative political power of interest groups.

Although the proliferation of interest groups and recent increases in the level of citizen activism and political participation has forced reform on the federal government, the thesis will illustrate that historically, over the past 100 years, these reforms have taken place in a slow and incremental fashion. Senators are still appointed and not universally elected, large corporations are the major contributors

to the Liberal and Conservative Parties, and a few thousand Party delegates elect the leader of our three main political parties. In spite of this traditional slow pace of political democratization, Canadian society has been transforming at a considerably rapid pace over the past thirty years. Attitudes have changed, and the levels of political efficacy and political participation have increased. Chapin and Deneau illustrate that the average citizen has become a more active participant in the political process than ever before.³ This combined with easily accessible television reporting of political issues has brought fundamental political questions into the homes of otherwise a-political citizens, having the effect of broadening the social base of the political process. More people are active and informed participants in our political process than have ever been. None the less, one must be careful to note that this does not necessarily mean that all citizens enjoy a substantial or equal degree of power or influence in the decision making process. As this thesis will demonstrate, certain political and economic elites have continued to be over represented in the policy process in spite of societal and political changes. The decision making process has evolved toward openness in a very incremental fashion in comparison to developments in the political efficacy of the masses.

The thesis will attempt to shed some light on the question of why the proliferation of interest group activity has only eroded the system of elite accommodation and has not as yet lead to the development of a true pluralistic state. It will be shown that reforms aimed at achieving a more pluralistic spectrum of

political participation have in most instances been quite superficial. It would be far fetched to believe that all of the over 400 interest groups and associations in Ottawa have substantial political clout over policy decisions taken by the government. Increased access to governmental institutions does not necessarily mean that the factors motivating decision makers has subsequently been altered. Access does not necessarily translate into political power. The very nature of the Canadian parliamentary system of Government, as well as, loyalist - conservative historic traditions has lead to what Horowitz⁴ describes as a "collectivist tory" tradition in Canada, containing few of the Jeffersonian participatory traditions found in the United States. These factors have combined to keep our political institutions from developing swiftly, in a very open and broad based participatory fashion.

The thesis is concerned with lobbying activity and the decision making process. It will be demonstrated that, the abundance of lobbying activity in Canada is presently carried out by interest groups. These groups, consisting of individuals who share a common concern, band together in order to increase their relative political power and deal with the government. In this paper, interest groups and lobbying activity will be considered interchangeably for both their activities conform to the definition of lobbying as outlined at the beginning of the thesis.

Given that the hypothesis in this thesis revolves around the notion that Canada has experienced an erosion of the elite accommodation system of decision making,

terms such as elitism, pluralism and corporatism must be clarified. Pluralism, elitism and corporatism have all been defined in many different and sometimes contradictory ways. For example Presthus⁵ relates what he defines as pluralism to a type of elitism. For Presthus, the fact that only a few interest group leaders actually participate in the policy process indicates that interest group pluralism is actually a form of elitism. In Elite Accommodation In Canadian Politics, Presthus argues that a system of elite accommodation has arisen in Canada, where a few individuals are more interested in seeking to maintain or increase their power and position in society than representing the true interests of their constituents. According to Presthus, a very Conservative type of incrementalism prevails over substantive policy development.

For the purpose of this thesis, elite accommodation, elitism and elite access will all refer to the high degree of access to decision makers by corporate interests and those representing the upper class. The definition of elite accommodation used in this paper does not refer to a type of pluralism where elites rather than the masses compete for the favour of government. Rather elite accommodation will refer to a decision making system which has facilitated the over representative level of influence of corporate elite interests and in most instances has lead to the adoption of public policy favourable to the interests of those elites given access to the hub of decision making.

Pluralism will refer to an interactive decision making process where many diverse

segments representing all classes of society are given access to participate in the policy process and on occasion, demonstrate influence over decision making and public policy. In the thesis, the main difference found in the definitions used for elite accommodation and pluralism may be highlighted with the high level of corporate access and influence in the elite accommodation system as opposed to a much more evenly balanced and competitive distribution of access and power in a system more closely skewed toward the pluralist paradigm.

Corporatism will refer to a political system where representatives of the corporate sector, union movement and government participate in institutional Government structures in an attempt to reach consensus and develop public policy.

In order to expand upon the relationship between lobbying and the political decision making process, the public choice model of decision making may aid in developing a sensitivity and understanding of this relationship. The public choice theory states that politicians are rational individuals who approach decision making primarily in terms of re - election and increasing their political power rather than from a commitment to a particular ideology.

With respect to the factors motivating Canadian politicians to take the decisions they are faced with, many observers of the Canadian political process have stated that factors such as the rise of television and the media and brokerage politics that has

followed are the primary motivating factors upon which party platforms and electoral campaigns are based upon.⁶ Within the public choice theory it could be argued that given short term political pressures brought to bear on politicians by interest groups and lobbyists, Parliamentarians would insure electoral defeat if they acted in a manner which would sacrifice segmented short term interests in favour of long term public interest. Thus, the public choice theory places interest groups and lobbyists in a position of considerable political power.

Lobbying activity and the public choice theory seem to fit hand and hand for if decision makers could not be swayed to take a decision which is in contradiction with their personal ideology then lobbyists would have no incentive to lobby. Within the public choice model, politicians are forced to take into consideration the demands of a wide spectrum of groups and interests in society. In essence, political choice theory is as old as the notion of politics itself. Politics has been defined by Easton as the authoritative allocation of values.⁷ In essence, lobbying activity represents a power struggle which can be traced back to Machiavelli and the beginnings of modern political thought.

So in all human affairs one notices, if one examines them closely, that it is impossible to remove one inconvenience without another emerging... Hence, in all discussions one should consider which alternative involves fewer inconveniences and should adopt this as the better course; for one never finds any issue that is clear cut and not open to question.⁸

As the public choice model of decision making would suggest, when a group such as labour is in a position of relative political strength (ie. during a depression when organized labour has many committed supporters), its demands will be addressed by government in some manner. Nevertheless, certain examples of public policy such as the current Goods and Services Tax seem to defy the logic of the political choice model. One popular explanation for this occurrence may be found with the research of Panitch and others which points to the overt but subtle over-representation and clout of the corporate elite in the political process.⁹

The following chapter will outline the traditional process of elite accommodation and the decision making structures that have accompanied the process. Chapter three will examine the factors which have lead to a transformation of the decision making process. Chapter four will outline reforms in government structures, and chapter five will examine the elements which make up the new system. The benefits and shortcomings of this new system will be then be questioned in relation to the American experience in chapter six. In chapter seven, the case study of Bill C - 51 will serve as an excellent example of the new policy process illustrating how the elements discussed in chapter five have altered the decision making system. Chapter eight will conclude the thesis with a summary of the findings in relation to the hypothesis and reflect upon the ramifications of the erosion of the elite accommodation system upon the Canadian system of government. The possible developments brought about by the new system will be discussed with reference to the system of lobbying and decision making system in the United States.

Chapter II: The Traditional Process of Elite Accommodation And Decision Making in Canada

Long standing corporatist sentiment in Canada has revealed that institutional interest groups (ie. those representing mainstream aspects of society: Labour, industry, agriculture) have traditionally enjoyed a higher level of legitimacy in the eyes of the Canadian general public.¹ Close interaction between these segments of society and government has since Confederation, conventionally been viewed as a necessary requirement in the development of public policy. Thus, in the eyes of the general public, these sectors of society have become acceptable, legitimate participants in the policy process. Subsequent to the creation of increasingly open and democratic government institutions, these interest groups were given a degree of institutional access to the decision making process.

According to the values of the "law abiding" Canadian public, the lobbying activities of these groups must be conducted within the legal parameters of the Constitution and in accordance with socially acceptable moral activity. When groups such as the FLQ resort to violence as one of their lobbying tactics, they lose legitimacy vis-a-vis the government and the public at large. They are ostracized from participating in the decision making process. Thus, large unions, corporations and professional groups have traditionally enjoyed a high level of participation in the policy process due to being viewed as legitimate political actors by the public at large.

Although most experts would concur that interest group activity is an important

and legitimate aspect of any democratic political system, there are a number of shortcomings associated with a political system revolving around interest group politics. To begin with, not all segments of society are represented in the interest group system. Many groups in society such as the poor, suffer from problems of collective inaction. As well, all groups do not enjoy equal access and power in the policy process. Diffusion of interests, a volatile non committed membership and financial considerations may hamper the representation of a given group. Those groups wielding considerable economic power often enjoy greater access to centres of decision making and greater influence in a pluralistic political system. Robert Presthus has argued that the unequal distribution of power and influence based on capital is extremely prominent and representative of an interest group oriented political process.² This, Presthus believes leads to the repression of the legitimate demands of other consumer and working class based interests in society.

Regardless of the degree of equality or inequality in a pluralistic political system, such a system is destined to fall short in achieving an ultimately just and well balanced ordered society. Political thinkers such as Theodore Lowi have called into question pluralist theory on the grounds that it fails to provide a definition of the public good from which politicians can govern. The many shortcomings associated with a pluralistic state has allowed the Canadian political process to evolve into a very "democratic" system, while at the same time it has given governments the legitimacy to retain many elitist checks which allow for elite dominance over public

policy. The justification for such a system may be found with the argument that decision makers must retain an ability to interpret the wants and desires of society as a whole and implement policies that go beyond satisfying the loudest segment of society.

The Canadian parliamentary system of government provides no constitutional role for interest groups, pressure groups or lobbyists. The parliamentary system has retained many elite (upper and upper middle class) checks on the will of the masses. For example, Colin Campbell and John McMenemy provide evidence illustrating how the structure of the Canadian Senate has enabled a number of economic elites to maintain a certain dominance in legislative developments.³

Additional initial shortcomings with the participation of interest groups in the decision making process stem from the very nature of interest groups themselves. For instance, the difficulty many citizens have in participating in interest groups, (usually referred to as the "free rider" problem), impedes groups from enlisting and representing all affected citizenry. Roberto Michels' Iron Law of Oligarchy illustrated that most organizations tend to be internally non-democratic, and an elite few actually manage and represent all those who belong to the organization.

Data indicates that Canadians in general do not display a high level of interest in politics and as a result government decision making structures have traditionally

reflected this reality. Table 1 below illustrates this phenomenon.

Table 1

FREQUENCY OF DIFFERENT MODES OF POLITICAL PARTICIPATION
IN FEDERAL AND PROVINCIAL ELECTIONS²⁷

		Row Percentages ^a			
		Often	Sometimes	Seldom	Never
Vote frequency ^b	Federal	60%	28%	8%	5%
	Provincial	53	28	10	10
Read newspapers	Federal	41	29	18	13
	Provincial	42	29	16	13
Discuss politics	Federal	24	37	22	17
	Provincial	26	37	20	17
Convince friends	Federal	8	13	10	69
	Provincial	9	14	9	68
Work in community	Federal	5	15	12	67
	Provincial	6	15	11	68
Attend meetings	Federal	10	15	12	69
	Provincial	5	15	11	69
Contact officials	Federal	3	11	14	72
	Provincial	3	12	11	74
Sign, sticker	Federal	5	9	4	82
	Provincial	5	9	4	82
Campaign activity	Federal	4	7	6	83
	Provincial	4	7	6	84

Source: Richard Van Loon and Michael Whittington, The Canadian Political System. Toronto, McGraw-Hill Ryerson, 1981, p. 137.

Lester Milbrath⁴ proposes a three tier structure to categorize the levels of participation found among the Canadian populace. They are the gladiatorial, transitional, and spectator levels of participation. the gladiatorial level includes people who run for public office. People who campaign and participate with political parties are placed in the transitional level. Those who do not participate much beyond exercising the franchise are placed in the spectator category. Mishler's data on the subject of citizen participation in the Canadian political process reveals that only a tiny portion of the population can be placed at the gladiatorial level, (approx. 5%),

followed by 40% at the transitional level, and 80% at the spectator level.⁵

Various other sources of research indicate a direct relationship with social economic status (SES) and levels of political activity. Throughout Canadian history the direct relationship between SES, education and income, and level of political participation has been a consistent theme. Mishler argues:

Political participation in Canada traditionally has resembled a sharply tapered pyramid - broadened expanding at the base, much narrower through the middle range, more narrow still and shrinking at the peak.⁶

It is noteworthy to mention that this low level of participation has had enormous ramifications with respect to the development of Canadian lobbying and decision making structures.

The work of Canadian historians R. T. Naylor and Gary Teeple⁷ helps one to understand why the elite accommodation system of decision making is a system that is rather indicative and reflective of Canadian political institutions and political history. As Naylor and Teeple outline, the small group of men who participated in the policy process consisted mainly of a "conservative" political and economic elite. These men were essentially concerned with conserving and enhancing their economic position as and not with the importance of implementing democratic reforms.

The conservatism of the political philosophy espoused by the Fathers of Confederation, and their much vaunted distaste for the mass liberal experiment to the south reflects little more than their material position as big merchants, bankers, and transportation magnates, rather than industrial entrepreneurs.⁸

The very incremental progression towards a universal franchise and other more open and democratic governmental structures, helped to maintain the close interaction between the corporate elite, politicians and government officials. The 19th century decision making process was quite a simple informal one. Cabinets were small and informal and ministers took decisions with much less administrative and political pressure being brought to bear on them by either civil servants or combative interest groups.

The Senate had a much more influential role in the development of public policy in the late 19th century and early 20th century. Senators were appointed by the P.M. and a large number of them had close ties with the corporate sector. Party financing rules were virtually non-existent, and the franchise was restricted to men. All of this helped to set the stage for a process of consultative public policy formulation that was restricted to those few elites that were given access to government due to their economic or institutional position in society. Labour, corporate, religious and professional groups were usually allowed to at least meet with senior government officials. Nevertheless, the political and economic power of the Canadian corporate establishment has always been considerably stronger than any other elites. John

Portor, Wallace Clement, and Dennis Forcese all illustrate that the corporate elite are an extremely united and closely knit unit. Their political ties and enormous political and economic clout has enabled them to dominate all other elites with respect to influence over public policy developments.⁹

As a result of the economic elite's close working relationship with government, a political and economic system in which government gives the corporate sector considerable support through subsidies, special loans, tax breaks, and other aid, has emerged as a dominant theme of Canadian economic policy. Herschel Hardin has argued that this "welfare capitalism" is and has always been the dominant ideology of Canada.¹⁰ Unlike elites in the United States, economic elites in Canada forged a close working relationship with government early in Canadian history and have been subsequently able to manage Canada's industrial development and their own personal fortunes in a unique fashion. Government practices of providing subsidies, tax breaks and other assistance to industry have become woven into the very fabric of the Canadian psyche. Thus, welfare capitalism has become a dominant feature of national politics recognized by the major political parties and by the vast majority of the populace. Although the CCF-NDP has often denounced the long-standing, close relationship between economic and political elites, welfare capitalism continues to be a central aspect of federal government economic policy.

The very structure of business - government relations in Canada may be best

understood with an examination of Canada's traditional corporate elite. Newman's The Canadian Establishment along with the seminal works of Porter and Clement show how a small economic elite have managed to control much of Canada's economy through their enormous wealth, family and business connections, and political influence. Clearly political power and governmental decision making in 19th century Canada closely resembled a system which supported upper class elite dominance. The degree of this control and how much it has eroded over the years is a matter of considerable debate, but a consensus exists among both left and liberal scholars that this group enjoyed overt influence in the 19th century. The democratic reforms which allowed greater access to decision making were introduced very slowly, their impact being only directly felt in the mid twentieth century.

During the period 1867 - 1935, decision making structures remained relatively closed off to the average citizen in society. There were no white papers and task forces to inform citizens and encourage their input in the policy process. Many segments of society were not as yet organized and thus interest groups did not have the opportunity to appear before standing committees and properly express their concerns to government. Most civil servants usually worked with business elites in private sessions as many consultative administrative structures were not as yet created. Technically, mainstream society was not barred from the policy process, but a lack of communication and facilitating governmental structures kept the public from becoming informed, articulate participants in the policy process. Thus in order to

exert political influence many interest groups in society such as labour and farmers often utilized public demonstrations and protests, strikes and forming their own political parties to inform government about the severity of their concerns.

As an illustration of elite accommodation in early Canadian history, the building of the Canadian Pacific Railway (CRP) within the context of the National Policy, represents an excellent example of the powerful economic and political influence of the traditional Canadian economic elite. In The Structure of Canadian History, Finlay and Sprague argue that Macdonald's National Policy was developed in order to populate the West, bring staples from the west to the east coast, and in order to provide for a better defense of Canada. In addition to realizing Macdonald's political objectives it is argued by Aitken that the CPR was in reality a project of certain economic elites who were to use the national policy solely for personal commercial interests. The railroad provided the basis for very large public investment and brought the political leadership into intimate alliance with influential business groups".¹¹

The exploitation of Canada's staples represented the easiest way for our indigenous economic elite to accumulate money quickly and easily. The cost of local heavy industrialization was viewed as inefficient and costly considering the small Canadian market and rapid American industrialization. The National Policy, while increasing Canada's standard of living, in essence gave control of our non staples

industrial and manufacturing economy over to American control. The Tariff forced American firms to set up branch plants in Canada and many Canadian entrepreneurs did not attempt to compete with the American based firms. Naylor¹² confirms that the National Policy was not actually in the best long term interest for Canada, and that it was a political strategy which allowed the economic elite to "rape" Canada of its financial capability. Frank Underhill sums up the segments of society which helped to develop the National Policy:

The forces behind the National Policy were the interests of the ambitious, dynamic, speculative or entrepreneurial business groups, who aimed to make money out of the new national community or to install themselves in the strategic positions of power within the railway promoters, banks, manufactures, land companies, contractors and such people.¹³

Research on the building of the CPR has revealed that the relationship between certain economic elites and Prime Minister Macdonald was quite close. The CPR scandal revealed political corruption at the highest levels of government. Clement maintains that the relationship between Prime Minister Macdonald and George Stephen was one of the closest business - government relationships in North American history. In the building of the CPR the Canadian government gave to private business; 25 million dollars cash, 25 million acre of land, gave existing rail way lines to the CPR, tax breaks on the land, immunity from duties on materials imported for the construction and no initial control of freight rates.¹⁴

Robert Presthus states that what he terms "elite accommodation" is inherent in the process of democratic government. Presthus argues that "elite accommodation" represents the traditional decision making structure upon which the Canadian government was established.

Within the formal governmental apparatus, legislators and top level bureaucrats remain perhaps the central elements in the decision making process, while in the private sphere, the leaders of interest groups assume a critical role in formulating the claims of their various constituencies and hammering out accommodation among such claims with political elites. In addition to direct personal intervention and lobbying, the instruments of their influence include participation in a plethora of joint government - industry committees, administrative boards and ad hoc advisory rules.¹⁵

Presthus' theory of elite accommodation refers to the access of a small number of civil servants, presidents of interest groups and associations, politicians and a few others who have a stake in the decision making process. According to Presthus, the close interaction of the above mentioned elites represents the true decision making process. Exactly who is and who is not a member of Presthus' elite is unclear. The definition of elite accommodation used in this paper excludes the leaders of interest groups which are not tied to major corporate, capital or professional interests. This process supersedes the party process and party platforms. Policy is made ad hoc in negotiation among these elites. Elite accommodation is defined by Presthus as:

That minority in any society who process and manipulate disproportionate shares of such scarce and highly valued resources as prestige, security, education, authority, power and influence... Accommodation is the outcome of the process of consultation, negotiation, compromise, and conflict where such elites allocate public resources.¹⁶

Presthus points to a number of factors which have helped to foster and maintain our current system of elite accommodation. Among these are: our fragmented political culture, decentralized federalism and our brokerage party system. Furthermore, referring to past federal governments, Presthus argues that our political and economic elites possess an agreement in general ideological values and the role of government in society.¹⁷

In general terms, the process of political participation or lobbying activity outlined by Presthus describes a political system containing a high degree of access, involvement and influence among a small group of people. As Naylor and Underhill observed, the consultative interaction during this period was of the informal and unstructured kind containing a low level of public involvement or public visibility. Given the economic and political elites historical agreement on basic political values, very rarely have conflict, coercion, exhortation or publicity seeking been the result of negotiation. As well, Presthus found that elites such as those from the labour movement have traditionally had a much lower level of access to the apex of power than other elites. Subsequently, prior to 1935, decision making structures were less facilitating to the participation of labour than industry. Some reasons given by

Presthus for this are:

1. Due to the lack of an economic elite background, labour leaders do not interact with political elites in the same manner the corporate elite do.
2. Labour has traditionally enjoyed a low level of lobbying legitimacy in the eyes of the public. (only 1/5 of Canadians believe that labour should engage in direct political activity).
3. The Press and public opinion have traditionally held the view that the leaders of these groups challenge the "free enterprise" values of government elites and pose a threat to the stability of the system.
4. Disagreement among the labour group members slowed the political growth of their constituencies.
5. Low level of financial resources.
6. Small staff and little continuity of labour Unions.
7. They represent a small number of people who subscribed to their social democratic agenda.¹⁸

With respect to both the structure and process of decision making, Presthus' work paints a picture of an informal type of elite accommodation system. A system which has drawn on elite, conservative traditions to adopt an informal, non - institutionalized structure of decision making which allows for the serious consideration of only the economic and labour elite. While the corporate elite did

enjoy greater influence than the labour elite, the system allowed for government to function quite smoothly, uncluttered by boisterous interest groups and other types of participation from all aspects of society. This type of closed and non-institutionalized decision making structure kept non-elites from gaining access to the system. The lobbying that did exist at this time was carried out by a select few in a quiet, non public and usually un-institutionalized manner vis-a-vis the Cabinet and civil service, not the Legislatures. This system was able to function quite well until the demands for wider public involvement in the 1960,s proved to be too great a strain. The social revolution of the sixties combined with higher levels of education and literacy and increased media technology lead to the creation of many well organized special interest groups with informed and committed members. This set the wheels in motion for the structural change in the decision making process that was to take place in the sixties, and beyond.

The old system of elite accommodation and economic elite influence survived and dictated the organization of decision making structures until the great depression for a number of simple reasons including:

1. Interest group politics was unable to achieve much growth access and clout in the political system until the introduction of television news reporting and a number of other societal developments gave these groups in society a degree of political clout in the decision making system.

2. The Party system remained secondary in the policy process, fostering little public input in light of Cabinet control, majority government and party discipline.
3. A low level of public political efficacy continued until the 1960's.
4. With respect to our Parliamentary system in general Presthus notes: "Elites maintained a dominance in the system, government elites tended reinforce the going distributive system and society as a whole accepted the process."¹⁹

As discussed, the structure of decision making from 1867 to 1935 was an informal one, dominated by "behind closed doors", economic elite interaction with the political executive. The overt influence of the economic elite is central to an understanding of the decision making process of this period. As Newman outlines the leaders of business and government indeed had a very close relationship, sometimes they were even the same people!

Sir Charles Tupper and Sir Robert Borden (who both served as Conservative Prime Ministers) founded the Crown Life Insurance Company; Arthur Meighen became one of Bay street's financiers; Mackenzie King had become a personal advisor to John D. Rockefeller Jr.; R.B. Bennet was President of Calgary power and owner of the E.B. Eddy Co...²⁰.

Considering the level of integration of political and economic elites, it may come as a surprise to learn that there were many organized interest groups which existed

during this period. Regardless of their systematic exclusion from being able to demonstrate much influence in the decision making process diverse interest groups did exist. Their many demonstrations and protests confirm that they were unable to gain influence in the institutional decision making system and subsequently most of their demands fell on deaf ears. Although from time to time some managed to break into the elite accommodation system and demonstrate some degree of influence, this was rare and limited to exceptional cases which exhibited a high degree of salient mass public support.

A few of these groups were allowed to appear before government in informal discussion sessions, but the elite accommodation system of the time prevented these groups from illustrating their political power in any effective manner. In order to outline that organized interest groups did exist from 1867 to 1935 the following list (including both groups that were included in the elite accommodation process and those that were not) illustrates that interest groups tied to commercial, religious and professional matters did exist early in Canadian history.

1. Agricultural Association of Quebec 1972.
2. Montreal Board of Trade 1822.
3. The Orange Order 1830.
4. Societe Saint Jean Babiste 1834.
5. Canadian Manufactures Association 1871.
6. Canadian Medical Association 1871.
7. Dominion Wholesale Grocers Guild 1880.
8. Knights of Labour 1886.
9. Quebec Chamber of Commerce 1890.
10. Canadian Bankers Association 1891.

11. Canadian Association of Mining and Metallurgy 1898.
12. Bond Dealers association of Canada 1916.
13. Ontario Mining Association 1920.

The Winnipeg general strike of 1919 proved to be the early warning sign that labour was not willing to accept its position of relative subservience to the powerful business lobby much longer. Given the dismal economic conditions, labour was gaining the public support it needed to become a significant player in the major economic decision making of the country. Much of the labour leadership had a political philosophy incongruent with that of the business and state elite. Unlike other interest groups, Labour had the mass constituency required to take political action in their own hands. The relationship between the Union movement and the creation of the Canadian Co-operative Federation (CCF) was strong. The union leaders were threatening to become the government decision makers themselves. This type of political activity: strikes, demonstrations, forming a union based political party, lobbying government and criticizing government lead to a number of significant changes in decision making and government administrative structures.

Chapter III: The Transformation of The Decision Making Process

The event which allowed labour's political activity to eventually have an impact on administrative structures was the Stock market crash of 1929 and the great depression that followed. The depression increased both the number and ideological commitment of working class people to social democratic principles. The CCF aimed to alter the whole economic and political system of the country.

We aim to replace the present capitalist system, with its inherent injustice and inhumanity, by a social order from which the domination and exploitation of one class by another will be eliminated, in which economic planning will supersede unregulated private enterprise and competition, and in which genuine democratic self-government, based on economic equality will be possible.¹

The increase in support of the CCF posed a threat to both the government and the traditional economic elites. Hundreds of CCF associations sprang up across the country. In 1934 the CCF had elected candidates in many provincial legislatures, and were increasing their popular vote at the federal level.

A number of reasons why the Bennett government introduced its "new deal" legislation may be invoked: the failure of the economy, the growing size of the organized labour movement etc. However, the "New Deal" legislation illustrated the power or potential power of the labour movement. The economic elite did not

directly benefit from the legislation, and if the government did not have to pass the legislation it would not have. No matter how one addresses the issue, the lobbying efforts of labour, including strikes and demonstrations and the growth of the CCF, (as well as the activity of various other groups) pressured the Bennett government into passing the legislation. As the situation developed "Bennett feared that a CCF snowball would develop into a socialist avalanche, and decided to halt its momentum by moving his own party in the direction of reform."² If labour did not organize social forces into a serious political threat to the government, Bennett's government would have had more options available.

Bennett's "New Deal" legislation represents a watershed with respect to the traditional mode of decision making in Canadian government. From 1935 onward the labour movement was to become to a much higher degree an accepted and legitimate participant in the decision making process. Administrative structures were to be altered to facilitate labour's participation in the system.

The depression was the crucial event which helped labour to solve the following three central problems which kept them from becoming a successful lobby in the past: 1. It increased the number of people who were to become aware of and subsequently give support to labour's bread and butter and social democratic goals. 2. It united a broad range of people and regions around a few basic issues and; 3. the depression increased the intensity and commitment of these people to economic

reforms a very high level of salience. Due to these developments, suppression of the labour movement would have proven to be very politically dangerous. Giving concessions to some labour demands seemed to be the most prudent course of action for the government. The degree of labour's political and moral clout is debatable, but national labour groups were given access to many sectors of the governmental decision making apparatus which they did not have previously.

With respect to the civil service and administrative structures, many new agencies, boards and committees (which will be outlined later) were to be set up in the years following 1935. This gave labour an opportunity to present detailed, technocratic and administratively structured input into decision making with respect to the economy in general and with respect to specific social issues which would affect working class people in society.

In addition to the government's response to labour's demands, many argue that the "New Deal" legislation was an illustration of the power of civil servants. It is suggested by Leslie A. Pal that the civil service illustrated a degree of relative autonomy from their political masters to manipulate public policy in such a manner that would maintain or increase their position in society, as well as maintain the position of the economic elite. The state violated the short term interests of capital to assure the long term hegemony of the dominant class. Pal's work on the origins of Canadian unemployment insurance argues that the bourgeoisie did not allow U.I.

to be created, but rather they had no choice! Pal argues that there were a number of reasons in addition to class struggle, which explain the creation of unemployment insurance. Pal cites the state's administrative expertise and fiscal capacity and jurisdictional divisions as important elements of this process.³

In the post new deal period Canada witnessed a subtle move toward the adoption of what can be generally described as corporatist decision making structures. Bennett's "New Deal" legislation gave labour the legitimacy and political power to become a central participant in the decision making process. With the force of the new deal legislation behind them, labour enjoyed enhanced legitimacy when speaking to Parliamentary Committees and Cabinet Ministers. It must be noted that labour's new found power moved administrative structures toward the general direction outlined by corporatist or tripartite philosophy. Nevertheless, these formal administrative structures did not give labour the degree of political influence in the decision making process they desired.

Regardless of many administrative reforms and the increase of labour's relative political power in the post "New Deal" era, the old system of elite accommodation and overt corporate elite influence did not disappear. The corporate elite remained at the apex of power in some new and more subtle forms to act as a check on the development of any type of real equitable type of tripartism. The corporate elite was able to utilize party financing rules, their financial power and friendships in

government in order to continue their higher degree of influence than that of labour. The usage of financial and technical resources in the legislative and regulatory process, combined with a disproportionate number of M.P.s, Senators, and senior civil servants with a positive predisposition to the free market gave the economic elite the upper hand in the decision making process.

One can view the move toward adopting corporatist ideas in Canadian government as a progression of the elite accommodation theory described by Presthus. Under both systems the economic elite managed to dominate, but under corporatism other groups were given structural access to government and allowed to participate in a very public and legitimate manner. This in turn increased the intensity, scope and volume of these groups as well as their legitimacy in the eyes of the public. William Coleman in a study on state and business interests found a type of "elite corporatism to exist in Canada. Coleman like Presthus concludes that we do indeed have a "confraternity of power in Canada". Rea and Mcleod concur:

What we are asserting then, is that non liberal organic corporatism may be a pervasive fact of the Canadian political economy. Our political system's organization of power is not merely elitist, but corporatist. Elites interact and attempt to accommodate each other. The various elites often appear to clash, or pretend to clash, but usually maintain a realistic willingness to balance or harmonize their diverse interests and to preserve the interests of the community through collaboration with the state.⁴

Concerning the role of the state in decision making, Leo Panitch puts forth a theory which attempts to explain the role the state plays in our political process and the ramifications it has on political participation and decision making. Drawing on the Marxist tradition Panitch argues that the idea that the state acts on behalf of the dominant class is certainly a more plausible idea than the pluralist notion that the state acts as a neutral arbiter between competing groups or classes.⁵ Nevertheless, Panitch argues that the state does exhibit a degree of "relative autonomy". "For the state to act only at the behest of particular segments of the bourgeoisie would be dysfunctional to it managing the common affairs of that class."⁶ Even though the state is structured in such a manner as to maintain the status quo, the state does indeed have a life of its own so to speak, and operates within the bourgeoisie's framework to implement only public policy which does not challenge the hegemony of the ruling class and the position of the civil servant in such a society.

Concerning the decision making process, Panitch maintains that the state plays an integral role in the process. According to Panitch, the dominant class relies on the state in the process of capital accumulation to diligently carry out the technocratic requirements of elite based public policy. C.D. Howe's close working relationship with business elites in the 1940s is cited as an example of this.⁷

A number of factors revolving around the increase in lobbying activity and clout of labour were responsible for the alterations in decision making structures which

took place during this period. As outlined the failure of "laissez faire" capitalism and the subsequent "New Deal" legislation created a new place for labour in the policy process. Nevertheless the erosion of corporate influence was ever so slight. State and economic elites while allowing cosmetic reforms in the decision making process to be implemented, (giving the illusion of corporatism) a sizable degree of corporate elite accommodation remained the prominent characteristic of the system. The formal process of decision making underwent some changes, but the structure of political power did not. This was curbed by the "New Deal" legislation. While the public gave more legitimacy to the labour lobby, the intensity and salience of this support was subdued by the "New Deal" legislation. Subsequently support for labour based political parties levelled off, and the labour lobby did not have the support, power or knowledge to influence the governmental decision making and policy process consistently in their favour. The political process was still a long way from developing into anything resembling a balanced pluralistic interest group system.

By keeping labour involved in this biased type of superficial corporatist system, those who subscribed to the dominant ideology in Canada (ie welfare capitalism and paternalistic conservatism) succeeded in containing labour's potential political power.

In the 1940s and 1950s increasing levels of corporate concentration, internationalization and complexity of the business environment aided in the process

of tripartism which helped both labour and management to cope with these new developments. Government wished to maintain control and manage the direction of the economy for the good of Canada as a whole, business sought to reduce competition, and government financial assistance and labour looked to government for protection and security in an era of change and mechanization. Thus mutual needs tied labour business to work together in this period. There was much to gain from dialogue and co-operation and little to lose. In addition to enjoying the traditional excellent and close relationship with government, the 1940s and 1950s represented a period where business - government relations improved further, for it became increasingly professional, technocratic and stable.

Since the end of World War Two there have been two major periods of distinctively different types of business - government relations in Canada - elite accommodation and mutual understanding. During the King and St. Laurent administrations, and to a slightly lesser extent, during those of Diefenbaker and Pearson, business and government worked closely together. It was a period when the value systems of the powerful federal economic ministers and of the influential Canadian business leaders were the same. Ministers stayed in their portfolios for long periods of time - Mr. Howe, for example, was the minister dealing with various economic matters for twenty-two years, from 1935 to 1957 and they prided themselves on knowing their constituencies and working closely with them.⁸

Among the factors contributing to the move toward creating corporatist type governmental administrative structures during this period were: 1. the increasing size

and complexity of the economy called for tripartite planning between business, labour and government. Tom Traves states that the new spirit of Keynesian liberalism of the Marsh Report provided the rationale for many post-war reforms. Traves argues further that the fear of another depression, gains by the CCF and other organized groups lead to the process of establishing governmental structures which would facilitate labour.⁹ 2. The increasing size and expertise of the civil service allowed for such structures to be set up and properly administrated. 3. The widening of the franchise combined with improved media technology and a more educated populace forced participatory reforms on government. The increasing level of education among the citizenry combined with readily available television news reporting on politics meant that people were exposed to political issues much more than ever before. Demonstrations and protests which increased dramatically in the 1960's would show that there was an increased demand for participation in government decision making and that government was going to be forced to respond in some manner.

The beginnings of an erosion of the traditional elite accommodation system and the transformation of the decision making process may be tied to the increased intensity of the labour movement following the depression. Decision making structures were altered to reflect social change, technological developments and the rise of a complex and increasingly diverse economy.

In order to cope with the volume of public policy required to manage the modern State and to accommodate the vocal demands of labour and other interested parties, governments increasingly governed by order in council. "In 1933, for example, at least one half of the 226 public acts of the Dominion in force gave power to the executive to legislate by order in council or departmental regulation."¹⁰

Reflecting the general increase of political activity among labour, and other sectors of society, a number of government reforms were implemented in order to deal with these new demands on the system. These include: 1. The creation of Cabinet Committees to deal with specific aspects of economic policy in a more efficient and effective political and administrative manner. 2. An increase in the number of standing committees and Royal Commissions in which labour became important participants. 3. Creation of tripartite consultative mechanisms in government departments. 4. The creation of a formal Privy Council Office to help the government manage their political agenda. 5. A steady increase in the size and scope of the PMO.

The progressive erosion of the old style elite accommodation system can be seen in the development of corporatist ideas and then with the subsequent demise of corporatist hopes in favour of a more competitive and pluralistic decision making process. Among the most important factors in this process was the proliferation of interest groups. This combined with many other societal reforms lead to a decision

making process where many participated and attempted to influence public policy, but the economic elite was to still enjoy a superior level of power and political clout.

The general air of civic activism filtering up to Canada from the American civil rights movement, helped to increase the level of political participation in Canada throughout the 1960s and 1970s. For the most part, these new participants were informed, intelligent people with a high level of intensity and commitment to certain issues. The messages of a number of initial campus based demonstrations spread to other more mainstream segments of society. In the years following an increasing number of average citizens would come to realize that there was political power to be found in numbers, especially when groups of people were well organized and able to receive media attention. Some elements of society, frustrated that party politics did not address their particular concerns formed their own special interest groups. Subsequently this led to the emergence of a new important element in the political process. Numerous groups in society were to by-pass the party system and lobby government in their own right. The government, recognizing that these interest groups were able to influence public opinion against government policy, were to develop political and administrative structures that would, in a bureaucratic manner, accommodate these interest groups. Most interest groups were to be given access to legislative and administrative structures, and a few were to receive federal government funding. Among some of these "issue oriented and social based" interest groups which were formed in the 1960's and 1970's were:

1. Automobile Protection Association.
2. Senior Citizens Council of Canada.
3. Canadian Federation of Independent Business.
4. Consumers Association of Canada.
5. Canadian Welfare Council.
6. The League of Concerned Canadians.
7. Green Peace.
8. Canadian Council For Fair Taxation.
9. The Canadian Council on Social Development.
10. Community Planning Association of Canada.

Attesting to the erosion of the simplicity and exclusiveness of the elite accommodation system there has been a dramatic increase in the number and type of groups submitting briefs or appearing before regulatory commissions. As an example of this development, in 1958 participants appearing before The Board of Transport Commissioners included a few municipalities, The Canadian Labour Congress, three Provinces and the B.C. telephone company. In 1974 a much wider range of interests were represented, including:

1. Canadian Cable Television Association.
2. Tara Communications T.V.
3. Telephone Answering Service of Canada.
4. National Anti - Poverty Organization.
5. Consumers Association of Canada.
6. Operation Family Rights - Toronto.
7. Action Bell Canada.
8. Stoney Point Citizens.
9. Native Marathon Dreams.
10. Civil Liberties Association of Canada.
11. Inuit Tapirisat of Canada.
12. Ontario Council For The Deaf.
13. Centre for Public Interest Canada.
14. Traffic Employees Association.
15. Many Individuals.¹¹

This increase in citizen participation was followed by a parallel increase in consumer awareness. Increasingly pressure was being brought to bear on industry to take into account social responsibility of their economic activity. This activity began in the 1960s in a very unorganized fashion and led to the creation of a number of consumer and environmental groups in the 1970s and 1980s which have been able to bring public relations nightmares to many major companies. Demonstrating the reality that these groups are indeed having an impact on the political agenda as a whole, corporate research has revealed that increasingly large corporations are facing a number of obstacles from the non - market environment, ie. consumer and environmental interest groups seeking change in corporate policy through publicity campaigns and political maneuvering. Professor Andrew Gollner's research indicates that a "crowding in" of external issues on corporate planning began to be taken seriously by a number of corporations in the late 1970's. Gollner's research demonstrates that "external demands are increasingly in conflict with traditional corporate structures and practices."¹² Table 2 on the following page illustrates this development.

The growth in both the size and complexity of the state apparatus itself as a response to the growth of interest group lobbying activity has also had an enormous impact on the nature and organization of political and administrative decision making structures. Paul Pross' studies of pressure groups in Canada found a number of crucial factors revolving around the state which have been central elements in the

creation of new administrative structures accommodating interest groups.

There is a growing complexity in the social and economic systems of modern states, exemplified by the increasing regulatory activities of governments, the growth of the corporate form of organization, and the specialization and geographic dispersal of manufacturing and commerce attended by a parallel division of labour amongst business and labour groups.¹³

The Societal Forces Transforming the Corporate Agenda

Table 2
Outsiders Attempting to Participate in Company
Decision-Making (as a percentage of executive responses)

What Groups Have Attempted to Participate in Your Company's Decision-Making?	Worldwide*	U.S.	Europe	Developing Nations
Unions	71	56	82	65
Environmental groups	56	68	54	35
Political parties	47	26	62	46
Consumer groups	43	46	44	32
Business and industry associations	40	32	40	48
Minority and ethnic groups	35	68	16	12
Religious groups	35	61	24	15
Community groups	32	50	24	18
Women's and feminist groups	22	40	12	8
Handicapped individuals	15	22	10	6
Others	19	13	24	23

*Includes companies from all parts of the world as well as those from the United States, Europe and the Developing Nations.

Source: Gollner, Andrew B, Social Change and Corporate Strategy: The Expanding Role of Public Affairs. Stanford, I.A.P. Inc., 1979, p. 41.

With respect to the factors which lead decision making structures to move away from superficial corporatism and elite accommodation and towards pluralist influenced structures, one finds that a number of elements which combined to lead to the demise of corporatist structures in favour of a more broadly based system. As demonstrated, the very superficial and unequal structure of Canadian attempts of corporatism was at the root of its own decline. The corporatist experiment was destined to fail. Those who hoped Canada could develop a true corporatist state, underestimated the political power of the business sector and the institutional and informal mechanisms which have allowed these elites to exert influence on public policy. Canada's political process and governmental structures were skewed far too much towards allowing informal elite accommodation to dominate to allow any type of politically viable corporatism to develop.

The evolution of the political process in Canada, (including the relationship between the party system, electoral process and media) were all factors responsible for pushing the system to restructuring upon more competitive and pluralistic lines. Labour's inability to gain access equal to that of business, created a policy vacuum which a number of other groups attempted to fulfill. Once these groups realized that our policy process was not exclusive and did not revolve around only labour and business, they were to step up their attempts at participating in the policy process and seriously trying to influence decision making. These groups soon learned how to utilize the media, their financial and organizational resources, their membership and

other resources to impact upon the decision making process. As a result many were taken very seriously by government and were invited to participate in the policy process. Exactly how interest groups have been able to become important players in the policy process will be explained in detail further in the paper.

The "elite accommodation" type of corporatism which had developed at this time, underwent difficulties in adapting to the strain that pressures for citizen involvement brought upon the system. Eventually aspirations for true corporatism broke down. Business, while still maintaining a number of influential points of access, lost some ground in the decision making system. Business was now not only going to have to compete with labour for the ear of government, but they were going to have to compete with hundreds of interest and pressure groups (consisting of informed, active members) in a very public media environment in an era of volatile competitive politics.

Table 3 illustrates the growth of interest group participation in government from 1937 to 1982. Note the huge increase in voluntary and special interest group participation between the three periods.

Table 3

Submissions to Three Royal Commissions on the Canadian Economy
1937, 1957, 1982

	Rowell-Sirois 1937	Gordon 1957	Macdonald 1982 ^a
Labour	2	17	61
Business associations & private companies	67	202	254
Professional associations	26	10	43
Federal government	24	3	34
Provincial & territorial governments	118	20	40
Municipal & regional organizations	45	23	67
Native people's groups	0	0	27
Women's organizations	4	1	34
Religious agencies	4	1	12
Social service & health groups	5	1	37
Political parties	3	1	12
Seniors organizations	0	1	6
Educational & research institutions	4	11	36
Voluntary & special interest	29	6	234
	331	297	897

a. Figures not final at time of research.

Source: Cited by Hugh Thorburn,
Interest Groups in the Canadian
Federal System. Toronto, University
Of Toronto Press, 1985, p. 84.

A further documentation of the proliferation of interest group participation in government is shown by two documents in the appendix, one containing a list of briefs submitted and heard by the Standing Senate Committee on Banking, Trade and Commerce report on the White Paper Proposals for Tax Reform 1970 (Figure 1),

and the other containing briefs presented to The Royal Commission on Corporate Concentration 1975-76, (Figure 2).

Concerning the proliferation of interest groups, Stephen McBride argues that the corporatist decision making structures sought by labour following the "New Deal" legislation were destined to fail due to the multitude of interest groups which were for the first time, able to illustrate to the government as well as the public at large, that they had legitimate concerns and that they should be integral participants in the policy process as well as the traditional groups.¹⁴

Given the complexity of social, economic and technological developments in society, government increasingly came to rely on the extensive amount of concise, and specific information provided by interest groups in the process of developing and implementing policy that would impact upon the interests in question. These relationships, especially with labour, soon became very collaborative and structured bureaucratic relationships. Thorburn demonstrates that in the 1950s and 1960s close clientele relations developed between individual departments of government and the communities they served. An example given is the close collaboration existing between the Canadian Federation of Agriculture and the federal and provincial departments of agriculture. Thorburn demonstrates that similar relationships developed in other major sectors, such as forestry, mining and secondary manufacturing.¹⁵

The new age of highly developed mass media circulation and technology had an enormous impact on subsequent alterations in decision making structures. Close media scrutiny forced politicians into addressing extremely publicized issues. On the negative side, politicians have watered down election platforms and have placed government on the defensive, leading to a political system where government officials are hesitant to discuss options concerning major policy issues in public in fear of reprisals.

The result of the combination of these factors was to diffuse political power among a large number of groups in society. The increase in lobbying activity, lead not only to the demise of all attempts at tripartism, but placed many pressures on government to further alter decision making and administrative structures. Due to the history of economic elite influence in the policy process, changes in decision making structures towards more broad based pluralism, like with the move to corporatism before it, were to be tainted with a long standing bias.

The increasingly open, participatory and pluralistic decision making structures that were to emerge, were often superficial forums of debate which were not connected (in a politically influential manner) to the important hubs of decision making in the system such as the Cabinet and PMO. Subsequently, the power to be found in these many new reformed and open pluralistic government structures was to be dependent upon the way in which interest groups could utilize them. For example, appearing

before a Parliamentary Committee could only be viewed as an important exercise in pluralist democracy, if a lobby or interest group could utilize the hearing in such a manner as to attract media attention. Using a relatively uninfluential administrative process in this political manner, may lead to the result of increasing the public support and thus political power and influence of the lobby group in question. Subsequently interest groups have been able to utilize these institutional Parliamentary process as a stage to mount an extra - parliamentary media oriented political campaigns aimed at impacting upon more influential centres of decision making such as Cabinet and the PMO.

The following example of the oil industry and the National energy Program illustrates that the industry could no longer simply rely on elite accommodation in order to consistently obtain favourable public policy.

The oil industry's inability to prevent or alter the National Energy Program in such a manner that would have suited their needs, represents an excellent example of the erosion of elite accommodation decision making structures in favour of a more open and competitive system. Political ideology and electoral strategy combined with increased nationalism proved to be an unbeatable combination for the "powerful" oil lobby. Berry's article; "The Oil Lobby and The Energy Crisis" inquired into why the oil lobby was unable to prevent the implementation of the National Energy Program (N.E.P.).¹⁶

While the N.E.P. was filtering up from the civil service to the Cabinet, the oil industry continued to meet with government officials in the manner of the traditional elite accommodation practice. The oil lobbyists did not anticipate that the issue would become extremely politicized and popularized as a major component of the Liberal government's agenda. Thus the oil lobby was ill prepared to manage such an issue in a politicized, public environment. Being perceived by the public as "the big bad greedy oil companies", the oil industry got off to a slow start in their attempt to compete in the new lobbying system and increase public opinion favouring their position. In the panic that ensued, the oil industry resorted to using scare tactics such as the threat of layoffs and substantial increases in the price of gas. The effect of this lobbying strategy was to only worsen their already negative public perception.

As Berry argues that previous to the N.E.P., the oil industry relied on a traditional smooth functioning working relationship with government to insure the swift passage of the interprovincial oil pipeline in 1949 and the adoption of the National Oil Policy of 1961, which helped to secure and expand their oil market in Canada and the United States.¹⁷ As a result of not adapting to the many reforms in the decision making process that have occurred since 1961 and losing the battle vis-a-vis the N.E.P., the oil industry (ie. The Canadian Petroleum Association) has subsequently increased the size of its staff and budget, and has adopted new lobbying strategies and techniques that meet the requirements of the new competitive and "public" decision making process. The advertisement (figure 3) appearing in the

appendix, appeared in a number of Canadian newspapers and illustrates the oil industry's realization that new techniques must be used to obtain public support and to effectively participate in the policy process.

Now that the elements impacting upon the decision making environment in the 1960's and early 1970's have been exposed, the following chapter will aim to specifically outline how decision making structures have been altered to accommodate the proliferation of interest groups and lobbying activity. It will be argued that a new competitive and somewhat "quasi" pluralistic system has challenged the old system. Due to the reality that the growth of government brought about by Keynesian economics, and that the rise of interest group activity occurred at relatively the same time, it must be noted as Thompson and Stanbury state in The Political Economy of Interest Groups in The Legislative Process in Canada, that the growth of government is both a consequence and a cause of interest group activity.¹⁸

Chapter IV: Impact upon Government Structures

The following alterations in administrative and decision making structures illustrate the government's attempt to accommodate and integrate the influx of lobbyists, interest groups and others into the policy process. The changes demonstrate an erosion in the old structures associated with elite accommodation and the rise of a much more open and pluralistic system. Thus these reforms are at the core of illustrating the hypothesis. The reforms: 1. illustrate the erosion of the elite accommodation system, 2. they tie a link between this erosion and the development and activity of interest group and other forms of lobbying, and 3. they demonstrate that a new and somewhat different lobbying system has emerged.

On a macro level, the government's administrative response to the needs and desires of the influx of interest groups, corporations and others may be found in the 1962 Report of the Royal Commission on Government Organization (the Glassco Report). The thrust of the report was to attempt to make government more efficient, better structured and able to maintain control of spending and other factors impacting daily on the administration of government. A central recommendation of the committee that was subsequently adopted was the separation of the Treasury Board from the department of finance and the creation of the Treasury Board as a central agency. The Treasury Board was to become Cabinet's financial management controlling agency. In this manner the government of the day would be better able limit monies allocated to corporations and other groups in this era of swelling

bureaucracy and far-reaching government spending.

With respect to lobbying and political participation in general, one may propose that the Glassco Commission attempted to reconcile the dichotomy between mass democracy and efficiency and to give civil servants the power and ability to manage. The Glassco commission was concerned with the administrative dangers associated with the new influx of political participation and how government could accommodate these legitimate demands for participation while at the same time maintaining maximum administrative efficiency. In addition to attempting to make government more efficient from a cost-benefit perspective, the Glassco Commission was very concerned with the issue of elected representatives being able to retain control and accountability over the administration of government. The concerns over how lobbying efforts would interfere with the effective operation of government may be found with the Commission's concern over "the flow of information" and the management of government.

Essentially, the recommendations of the commission are aimed at increasing the flow of information, not only to better assist management and planning, but also to inform Parliament and the public so that the objectives of government planning can be better understood, and informed judgement can be made as to whether program objectives can be achieved.¹

Furthering the erosion of elite accommodation, new government structures were

set up to give non economic elites, such as consumer and environmental groups, points of access in the new system. In 1963, the Economic Council of Canada was founded, and in 1975 the Canadian Labour Relations Council was created. Both of these agencies were created to allow individuals or groups other than industry to participate in the development of economic policy. The Labour Relations Council gave labour a direct channel to government where they could air their concerns. The economic Council invited all concerned citizens to participate in setting the values from which economic and other public policy plan would emanate from. It can be argued that labour's participation in the Economic Council was a significant factor in the government's decision to introduce wage and price controls in 1975.

The post World War Two trend toward administrative decentralization and opening up decision making structures to allow greater public input, was subsequently matched in the 1960's, by an equal effort to consolidate governmental power in Cabinet, the PMO and the central agencies. An attempt was made to maintain a political check on increasingly vocal interest groups and to control external forces on government by moving closer toward in the direction of adopting a system of stringent Cabinet government (as opposed to Parliamentary government). Prime Minister Pearson introduced a number of reforms in an attempt to maintain ministerial control over the formulation of public policy. An extensive Cabinet Committee system was introduced. Although Cabinet Committees have existed since World War Two, the new committee system was given such power that Cabinet as

a whole would no longer formulate public policy. As with other reforms, this new system was adopted to better deal with the vast amount of technical input that was being filtered into the policy process. As to more effectively manage policy, it was believed that a Minister working closely with his civil servants would be better equipped to deal with the political pressures brought on him and the government by the lobbying activity of interest groups, provincial governments and others. Thus the committee system was a system constructed to manage government in such a way as to direct the policy agenda. J.R. Mallory argues:

The first effect of the re-structuring of Cabinet was to tilt decision making further in the direction of being functional and managerial and less politically sensitive to the political pressures of federalism.²

The trend of combating external policy influences with control mechanisms continued to subtly parallel governmental reforms which increased public access to the policy process. It seemed that on one level the government recognized the need to allow greater participation among interest groups in the policy process, and on another level government realized how this might impede the governments policy agenda of financial management and implementing other policy placed on the agenda.

With respect to the interaction of lobbyists and Cabinet, the elite accommodation practice of permitting selective interest group access to Cabinet has managed to

persist as an important component of lobbying in the 1990s. "Selective and informal consultations with interest groups and individual lobbyists have remained a regular part of policy making."³ Nonetheless, the power individual Ministers hold in assisting favoured interest groups or lobbyists has been curtailed by other reforms in the decision making process. It has been argued by J. Hugh Faulkner that the policy and expenditure management system was essentially designed in order to limit the influence interest groups and lobbyists had over individual Ministers:

It integrates policy decisions into the governments priorities framework, tightens up decision making by juxtaposing policy options and expenditures and strengthens the pattern of collegial authority over policy development and expenditure management. The effect is to limit the capacity of an individual minister to respond to interest groups... consequently interest groups must now be prepared to deal with the whole range of Cabinet, including the Cabinet Committees.⁴

The concern over managing lobbyists, and indeed in many instances internal civil servants, lead to the consolidation of political power with a re-alignment of the Both the Privy Council Office (PCO) and The Prime Minister's Office (PMO). The PCO was increased in size and given increased power to carry out its mandate as both advisors to Cabinet and the main central agency. The PCO was to become a super central agency at the apex of bureaucratic - political power. The PCO would assist the government of the day in overcoming all the bureaucratic and political obstacles

which stood in the way of implementing a policy agenda. In many instances the PCO has been structured as the technocratic arm of Cabinet, acting not only as a secretariat, but as bureaucratic device to combat the bureaucracy itself. Richard Van Loon agrees that the function of the PCO has expanded to include providing major logistical and decision making support for Cabinet.⁵ In addition to providing briefing notes to the Prime Minister, PCO secretariats are attached to each Cabinet Committee to coordinate policy vis-a-vis the Government agenda and other departments and agencies.

The restructuring and expansion of the PCO aided governments immensely in dealing with the bureaucratic, political and technocratic requirements of all elements of government. Nevertheless, the PCO being a non - partisan civil service agency could not help to manage the increasingly complex political realities which faced the government on a number of levels. In order to help the P.M. deal with this aspect of government, the PMO was steadily expanded throughout the late sixties and seventies. The central factor leading to this expansion may be found with the increase of lobbying activity vis-a-vis the P.M. Throughout the late 1960s and beyond, the Prime Minister's office began to receive an increasingly large volume of mail; up to hundreds of letters on a daily basis. Many were from interest groups and dealt with serious public policy issues. Other demands on the P.M. included invitations to attend functions and to personally address certain social issues. Given the political position of the P.M., in order to direct and manage policy issues efficiently in such

a crowded, complex and politically sensitive environment, the PMO was subsequently given more power vis-a-vis cabinet as a whole in the decision making process. This was of enormous assistance in helping the PM manage the lobbying efforts of interest groups. Increasingly the PMO played the role of providing a partisan systematic integration of political variables into the governing process. The PMO aided the P.M. and Ministers in responding to political opposition to certain policy proposals. An example of such support often took the form of public opinion polling and strategic political manoeuvring. "The PMO became much more a political machine devoted to electoral politics, providing a kind of political technocracy to advise the Prime Minister on the political pros and cons of various policy options."⁶ As Van Loon and Whittington argue the PMO was indeed enlarged and re-structured to combat lobbying activity and to better manage the political policy agenda.

Indeed it has been argued that the creation of major policy changes in Canada requires a sudden centralization of authority of the sort which can only occur in the Federal government when the Prime Minister and the PMO suddenly take power into their own hands, acting before the web of opposition which can form rapidly in Ottawa, has the time to mobilize.⁷

Thus the PMO may be described as an extra - parliamentary agency that aides the P.M. in bypassing parliamentary institutions such as the cabinet and caucus in formulating public policy. The evolution of the PMO provides an excellent example of how while parliamentary Institutions were opening up to public access,(ie committee hearings, agency hearings, commissions, task forces, white papers etc.), the

real decision makers were insulating themselves from this development.

With respect to the interaction of interest groups and Parliament, Paul Pross argues that the expanded role of interest group activity in Parliament may be leading to more fundamental changes in the policy system as a whole. Pross feels that we have witnessed a move toward bureaucratic pluralism when both interest groups and agencies have found it useful to exploit the legitimating and publicizing capacities of Parliament.⁸ In so doing so they have contributed to the enhancement of Parliament's role in the policy process. In 1990 we see that this much is true. The number of interest groups appearing before parliamentary committees and the media attention they have often been able to generate is evidence that this aspect of government has indeed opened up and has spawned more interest in the process. However, due to the insulation of the decision making process in the Cabinet, PMO and PCO, this type of pluralism is indeed superficial and primarily bureaucratic. As Pross argues, it is a type of "quasi" pluralism, for it is often void of illustrating a broad based, competitive process having any significant impact upon the final policy implemented by the government. As the progressive move toward a consolidation of final decision making power continues, the power of parliamentary committees and commissions remains low. It is evident that the opening up of Parliament has been formatted as to allow greater access to government and not necessarily greater influence, control or power in the decision making process. Nonetheless the opening up of parliamentary institutions is not totally self contained. It has caused some spill over

to the P.M.'s ability to do as he wishes. The usage of parliamentary devices by lobbyists to obtain favourable media coverage is fundamental to the erosion of the elite accommodation system and will be expanded upon throughout the paper. When lobbyists are able to publicize committee hearings and politicise a particular issue, they are in effect perusing a lobbying strategy which is dependent upon the "Public". The degree to which a lobbyist is able to manipulate public opinion in his/her favour may have considerable impact upon the final decision taken by the Cabinet.

Pursuant to the subject of the opening up of Parliament and the allowance of greater public participation in Parliamentary Institutions, the following reforms which occurred throughout the 1960s and 1970s, illustrate a direct government reaction to the increase of participation and lobbying activity which occurred at this time. Due to the fact that only certain aspects of government were restructured in a manner more accessible to the public and considering that the overall access, power and legitimacy of interest groups in the decision making process was still quite limited the 1950s, the period of the 1960s onward marks the beginning of a wide spread erosion of elite accommodation in favour of the construction of participatory but superficial pluralist decision making and administrative structures. Within this system, Parliamentary and bureaucratic structures are set up as to accommodate interest groups, but the overall system of political decision making, does not always in practice, follow the pluralistic dichotomy of reflecting the interaction of competing groups of society resulting in the adoption of politically justifiable or otherwise,

socially acceptable public policy. The hub of decision making (the Cabinet and PMO) has maintained a structural and political insulation from the effects of other more open government structures. Regardless of the government's efforts to maintain firm control over their political policy agenda's through the consolidation of power in Cabinet and the central agencies, the following list of reforms contributed to the process of an erosion of the traditional system of elite accommodation and in the creation of a reformed system.

1. The Funding of Special Interest Groups

The funding of voluntary organizations in an attempt to encourage their participation in the decision making process became a high priority of the Trudeau governments of the 1970s. The Secretary of State as well as The Department of Consumer and Corporate Affairs were actively involved in this effort. In 1978-79, the Consumer Assistance Grants Program of The Department of Consumer and Corporate Affairs awarded a total amount of \$ 899,995.00 to various consumer oriented interest groups.⁹

2. Roundtable Discussions

In 1977 the Trudeau government selected a number of concerned interest groups, corporations and others to participate in a two week period of meetings and roundtable discussions with Ministers in the spirit of developing meaningful citizen

participation in decision making as outlined in the Trudeau government's document of 1976 entitled The Way Ahead.

3. Special Senate and Joint House - Senate Committees.

These committees were established in order to allow Parliament to better study general areas and issues of public concern. The committees provided a forum from which all groups in society could participate in the early stages of policy formulation by submitting briefs. The committees help to reduce social tensions and to divert lobbying pressures away from public demonstration (on the increase in the late sixties and early seventies) to intelligent constructive input. For example Chapin argues that The Croll Committee Report on poverty in Canada generated much public discussion concerning poverty levels in Canada and the need to develop a comprehensive social security program.¹⁰

4. Consultative Departmental Reforms

In the spirit of The Way Ahead, The Trudeau government moved swiftly in the late 1970s to create new consultative mechanisms within federal government departments. In 1978 the Department of Industry Trade and Commerce established a number of committees and task forces consisting of representatives from industry and labour. The task forces considered issues in 25 different sectors or areas relating to industrial and economic development.¹¹

5. Standing and Special House Legislative Committees

Throughout the sixties, seventies, and eighties House Committees have increasingly allowed themselves to become forums of public debate. As of 1969, all legislation was required to be sent to a Parliamentary committee. The number of lobbyists and interest groups appearing before these committees has steadily increased to the point where over 500 groups and individuals have submit briefs to the recent Goods and Services Tax Committee. The media attention received by the Parliamentary Committee which introduced the Goods and Services Tax, illustrated that interest groups have succeeded in increasing the potential political power of such standing committees by turning these Committees into very visible spectacles of public and media inquiry. Enough opposition to the bill in question generated through media coverage and interest group opposition to during the committee hearings may lead to backbench dissension or a Cabinet policy reversal. Such was the case with the Parliamentary Committee studying amendments to de-index social security pensions.

6. Royal Commissions and Task Forces

The volume and importance of Royal Commissions increased throughout the 1960s and beyond. The creation of Task forces, (as with parliamentary committees Royal Commissions) provided an opportunity for numerous groups in society to have

some input in policy formulation. In addition, these commissions require in depth research to complete their studies and rely heavily on the input of interest groups who are invited to submit their own research and expertise in the process. With respect to the reasons underlining the increased significance of these commissions and task forces:

Mr. Trudeau promised to make government more accessible to people, to give citizens a sense of full participation in the affairs of government, and full control over their representatives... This commitment has been manifested structurally in the form of mixed government - private sector task forces, Royal Commissions and more extensive use of Parliamentary standing committees.¹²

Task forces and Royal Commissions have had on occasion, a significant impact on policy development. The MacDonald commission and free trade is one such example.

7. Green, White and Discussion Papers.

The 1960s witnessed an increase in the usage of these Parliamentary devices. Anticipating the desires of special interest groups to participate in the legislative process, the purpose of these papers was to encourage and stimulate constructive and informed input on certain issues. As such, the papers acted as an excellent way for the government to test the political waters, while at the same time they gave interested parties an opportunity to participate in government and criticize it. It has

become accepted practice to distribute these papers to concerned interest groups so that they have the same basic information that the Cabinet utilizes in their decision as to move ahead with a particular bill or not.¹³

8. Interdepartmental Committees and Integrated Portfolio Designs

According to Audrey Doerr, interdepartmental committees and integrated portfolio designs have been used within the public service and have evolved to provide liaison with affected groups outside the public service.¹⁴ This process has led to a series of relationships between and among different organizations inside and outside the public service. Doerr argues further that "In turn, the machinery of government has been shaped around the interactions of the different sets of actors included in a particular policy or program structure."¹⁵

9. Advisory Boards and Councils

The proliferation of advisory boards emanated from a recommendation of the Glassco Commission which stated that; "The creation of advisory bodies to government would make it possible for private citizens to pool their special skills and knowledge with those of public servants in order to reach sound judgments."¹⁶ In response to the proliferation of interest groups and others wishing to participate in government many advisory boards and councils were created in the 1960s and 1970s.

10. Regulatory Agencies and Administrative Tribunals

The proliferation of regulatory agencies was a technocratic requirement of government to effectively regulate certain industries to meet public policy objectives and protect consumers against situations of monopoly. The creation of these agencies as "structural heretics" indicates that political as well as bureaucratic as well as economic objectives were in mind when the agencies were created. The creation of these agencies outside the traditional departmental structure facilitated requirements of politicians in distancing themselves from unpopular decisions, while still being able to retain control over the policy direction of these agencies. The concept of political accountability is confused by these agencies as to allow elected officials to manage this aspect of government in a manner such as to reduce the influence of exterior influences (ie. lobbyists) and govern effectively. In many instances interest groups have demanded increase participation in regulatory commissions and have been granted this demand. In addition to appearing before regulatory commissions and administrative commissions of all types, a few prominent members of interest groups have been appointed to governmental agencies that regulate an industry which they are involved with. One such example is the appointment of the President of The Alberta Wheat Pool as a member of The Canadian Wheat Board.

The research of experts such as Richard Schultz, has revealed that the intensity of which well organized and well financed industries participate in the regulatory process has lead to situations where corporations are able to demonstrate a high level

of control over their regulators. Schultz argues that transportation and telecommunications industries have managed the regulatory process in tune with its political elements so well, that they have "captured" the agency that is suppose to regulate and control them. Given the technocratic nature of regulatory commissions and administrative tribunals public interest groups and others have had more difficulty to participate effectively in this area of government then in others. Because regulatory commission hearings are not usually newsworthy items it is difficult for consumer groups to spend a great deal of time and financial resources trying to combat an industry in what is usually a non political technocratic environment.

11. The Supreme Court

With the creation of a constitutionally entrenched Charter of rights and freedoms in The Constitution Act of 1982, interest groups have increasingly utilized the courts in order to challenge Parliamentary legislation and orders in Council. The recent case against the termination of Via Rail lines on behalf of a number of municipalities and interested parties is an example of this type of ad hoc lobbying. The pro and anti abortion groups have utilized the Courts to such an extent that they have in essence forced Parliament to create a new abortion law at the request of The Supreme Court.

12. "The Way Ahead" 1976

In direct official response to an increasingly crowded policy process, the Trudeau

Government published a document which outlined the governments objectives with respect to public participation and the decision making process. The document stated that the government would:

Initiate a formal process of discussion, dialogue and consultation with all segments of Canadian Society: Provincial governments, representatives of business, labour and consumer organizations, other special interest groups and individual Canadians.¹⁸

The document gives support to the notion that alterations in the decision or policy process were primarily done to accommodate the demands for increased participation from many sectors of society. As we have seen, many of the reforms aimed at allowing participation in governmental structures while other reforms aimed to consolidate government power and act as a check on these other reforms. Nevertheless it seems that the reforms aimed at combating outside influences outweigh the reforms increasing public participation in government. In addition to the consolidation of power in the PMO, PCO and the "inner" cabinet, the creation of public affairs departments in many government agencies illustrates that the government is more concerned with managing external influences than with substantive integration of these people into the decision making process.

Some other alterations in the governmental decision making process which may be attributed to the increase in lobbying activity on behalf of interest groups and

others are:

1. The creation of Ministers of State. (one interest group, The Canadian Federation of Independent Business, claims to be directly responsible for the creation of The Ministry of State For Small Business).
2. The policy expenditure system introduced by P.M. Joe Clark in 1979 as an attempt to reduce the influence of internal and external forces on government spending.
3. The Increased Ministerial Authority and Accountability Program, (The MAA Program).
4. The Planning, Programming and Budgeting System, (PPBS) to control government spending encouraged by interest groups.
5. The creation of The Office of The Comptroller General to promote better management practices in 1978.
6. The increase in the size of political exempt staffs in 1984. As well the creation of the position of "Chief of staff" with a pay almost equal to an ADM was done in order to help Ministers manage both the bureaucratic and political realities of public policy.

The creation of the Department of Consumer and Corporate Affairs provides an excellent illustration of how government decision making structures were created and altered in the 1960s and beyond to reflect the requirements of the proliferation of interest groups. The department did not exist prior to 1967 reflecting the reality that consumerism and consumer based interest groups were not as yet very developed and widespread in society. With the development of Canadian consumerism, the federal government was forced to respond in an administrative capacity, to this new element in the political environment. The department was created as a direct response to the increased intensity of organized consumer activity and the lobbying brought to bear on government by consumer and other interest groups. The following quotations taken from the Department's first annual report illustrates that the Department was

created primarily to facilitate the demands for participation on behalf of organized interest groups.

In the first four months of its existence, the division focused its attention on organization, recruitment of staff, establishment of liaison with government and private agencies, processing of enquiries and complaints, and the planning of future activities...

Discussions have taken place between officers of the division and consumer organizations, trade associations and members of industry to explain the objectives of the consumer service and information division to lay the groundwork for increased co-operation in matters affecting Canadian consumers...

During this period, public interest in the establishment of the department was reflected by a substantial number of inquiries and complaints directed at the division by Canadian consumers.¹⁹

The steady growth of the department even in light of budgetary cutbacks illustrates the relative strength of the consumer groups and the importance the department became to the government. Figure 4 in the Appendix illustrates the steady growth of the department with respect to department appropriations and expenditures. A slight decline occurred in the 79 - 82 period. However this was followed by a huge growth period following in 1983 and beyond.

The Department of Consumer and Corporate Affairs organizational charts (figures 5,6,7 and 8 contained in the appendix) representing the periods of 1967 -77,

1968-69, 1973-74 and 1978-79 illustrate not only growth, but how the decision making structures of the departments were increasingly created in such a manner as to revolved around the input and participation of interest groups.

Department of Consumer and Corporate Affairs 1967 -1968

In 1967 only a single branch was set up to deal with the "public" (the consumers affairs branch). The lines of communication with interest groups was handled in a very informal and superficial manner, reminiscent of the old system of elite accommodation. At this early stage the interest groups were treated in a cursory manner as indicative of the public relations type structure of the consumer affairs branch.

Department of Consumer and Corporate Affairs 1968 - 1969

The creation of the Canadian Consumer Council at a position at the top of the department's organizational structure indicates the relative political and technocratic power of the consumer groups. They were able to obtain an input mechanism just below the ministerial level at the very top of the bureaucratic decision making structure. Subsequently, much of the information the department will provide to the Minister for political decisions, will filter up from the Canadian Consumer Council where the input of consumer based interest groups is considered in a very serious, detailed and structured manner. The fact that the body is placed above the Deputy Minister in the organizational chart illustrates that the input of interest groups was

to be considered as very important and separate from the information provided by civil servants in the department. The creation of the Assistant Deputy Minister of Consumer Affairs placed at a central position in The Department, illustrates the influence consumer groups were having upon the administrative and decision making structures of the department.

Department of Consumer and Corporate Affairs 1973 - 1974

The proliferation of a variety of policy and research departments in 1973-74 illustrates the increased legitimacy of consumer interest groups and the government's response to study the issues they have raised in a structured and systematic manner. Throughout the 1960's and 1970's consumer groups pushed for the creation of government agencies to protect the consumer against fraud, and unsafe products. The creation of the consumer fraud protection and product safety divisions illustrates a direct administrative response to consumer group demands. The creation of the Consumer Research Council just below the Minister and the Deputy Minister on the organizational chart illustrates that consumer input at this stage was to be independent of bureaucratic influence and was to report directly to the Minister who is in charge of taking political decisions.

Department of Consumer and Corporate Affairs 1978 - 1979

In 1978-79 the growing size and complexity of the organization of the department

indicates that the interest group influence discussed previously, continued to be an important factor in the organization of the department. The creation of the Co-ordination Directorate and its offices indicate that the government was attempting to manage the vast amount of interest group and consumer activity in the administrative process. This reform may be related to other government attempts to manage and thus reduce the impact of interest group activity on decision making in Canadian government.

The annual reports of the department revealed the participation of interest groups in the decision making structure on a number of occasions. A sample of quotations attesting to this follow:

In the process of handling these complaints and enquiries, continuing and extended contact was made with business organizations and associations. Official contacts were established on the basis of continuing liaison to help resolve consumer complaints and enquiries.²⁰

In addition, the director and other members of the branch staff participated in a total of 43 formal panels and conferences to discuss the organization and functions of the bureau of consumer affairs and consumer problems generally.²¹

A highlight of 1978-79 was the National Conference on Consumer Assistance attended by representatives of government, industry, consumer groups and the news media. The objective was to analyze the many ways and means by which consumer complaints, problems and inquires are handled, thereby paving the way for the development of more direct and effective avenues of help.²²

Chapter V: The New System

The research presented in this thesis has attempted to group together a number of key indicators which reveal how the rise of interest group and lobbying activity has altered the elite access system of lobbying and decision making towards a new system, which at least on the surface permits, and in many instances encourages, the participation of many diverse sectors of society in the policy process. As a reaction to the inability of many interest groups to become truly influential participants in the inner decision making process, many groups have sought out other means to have their political power impact upon the decision making elites. This inability to participate effectively through institutional channels has led to the development of new political activities impacting upon government and has assisted in the erosion of elite accommodation towards a more competitive pluralistic decision making process. The staying power of the elite accommodation system has caused pluralism to develop in Canada in such a manner as to depart from true pluralism in such that much of the lobbying activity witnessed today is not legitimized by our Parliamentary system of government on any institutional basis. This is to say, that in most instances the only way these groups may have an impact upon government is through non-institutional "political" channels, ie media management, coercion, exhortation and other means of political manipulation. This type of extra-parliamentary public lobbying has in a very wide-ranging manner, altered the very nature of the decision making process.

In addition to participating in a complicated administrative process, lobbyists must now take into consideration and manage a variety of extra-parliamentary variables and external actors. Given the competitive nature of the process, in order to be effective, lobbyists must conduct well planned and researched activities aimed at obtaining favourable government policy early, before the issue becomes politicalized at the Parliamentary stage. Don Kelly, a government relations consultant with Public Affairs International, echoes a statement heard of many other lobbyists:

No longer can a corporation expect results from hiring a lobbyist a few weeks before a bill is introduced into the House. As many of our clients have come to realise, government relations in the 1990s is a highly competitive and complicated game. A corporation or any other organization must develop a comprehensive, long term government relations strategy which must entail the expertise of a consultant who is skilled in how to manage the civil service, environment and consumer groups, the media and all the other stakeholders in the process.¹

The lobbying industry (consultants, interest groups, associations, and others) has grown both in volume and technocratic scope over the past 30 years. In 1980 it was estimated that there were over 300 associations and interest groups employing over 2000 people in Ottawa.² With respect to Parliament alone "during the first session of the 32nd Parliament, 631 witnesses appeared before special committees, 2,370 witnesses before standing committees, and 325 witnesses before sub - committees."³

With respect to professional government relations consultants, the lobbyists

interviewed for this thesis, such as Don Kelly of Public Affairs International, Herb Metcalf of Capital Hill, Richard Gervais of GFA Communications and James Crossland of Government Policy Consultants, all agree that the old style of elite accommodation lobbying is giving way to a new, very public, very political and very competitive and confrontational style of lobbying where many diverse interest groups and other lobbyists attempt to manipulate a multitude of elements found in the larger political process in such a manner as to force elected officials to act in their favour.

Given that the business community is not as politically astute as professional lobbyists are, it took some time for the government relations consultants to convince the business community that the old methods of managing government would not suffice under the conditions of this new environment. In the late 1970s and early 1980s the corporate lobby's general resentment of Trudeau's economic policy led to a re-evaluation of business - government relations in the early eighties. In order to investigate into practical solutions to the deteriorating situation, many conferences and meetings were held. The Max Bell school of business - government relations responded by publishing a book as an outcome of such a conference. The book entitled Theories of Business-Government Relations was released in 1985 and helped business leaders to realize that their inability to deal effectively with the Trudeau government stemmed from something more than the Liberal government's economic policies. The new realities of dealing with the government in the emerging complex and crowded lobbying arena was a major factor responsible for business's inability to

deal with the government at the time.

From this collection, Carle E. Beigie and James K. Stewart argue that significantly improved business - government collaboration will be essential if Canada is to meet its industrial challenges.⁴ Much of Business's sudden inability to come to terms with government economic policy can be explained from business's inability to accept the new realities of dealing with government as only one of many players in the game, and to work within this new framework. The old methods of elite accommodation could no longer be relied upon in the face of other lobbying and political pressures of which the government now had to deal with.

The answer to the failure of business - government relations in the late 1970s and early 1980s can be found in the very evolution of lobbying itself. It seems that in the move from elite accommodation to a more competitive, "public" and accessible system, the corporate community was late to adjust. They did not anticipate the change at the CEO level and subsequently they were ill prepared to operate in the new policy environment. As Gollner observes, corporate recognition of the crowding in of social and political issues on the corporate environment was a very slow process.⁵ Subsequently this led to a great demand for public affairs consultants to deal with government on behalf of certain corporations and industries. The proliferation of the Ottawa government relations consulting companies in the late seventies and early eighties illustrates this reality. The largest government relations

consultants were founded in 1976 (Public Relations International) and, 1984 (Government consultants International).

The proliferation of interest groups and the impact they have had upon altering the way in which government operates, has been well documented by Litvak, Stanbury, Gillies, Pross and others. Concentrating on developments in the type of lobbying activity developing in the 1970's and 1980's their work gained popularity due to business' failure to deal effectively with government during this period. This literature exposed the reality that the crowding in of the policy environment meant that a new decision making process, as well as new administrative structures were being developed by government to cope with this increased demand for input. As a subsequent development, the "old" ways of lobbying, (ie elite accommodation) could no longer be relied upon to consistently produce positive results for lobbyists in this new environment. Many interest groups, associations and some corporations have realized this reality and have begun to develop new lobbying techniques and strategies which will better equip them to manage the new policy system.

The period of the late 1970s and early 1980s represented a transition period for the corporate community in their relations with government. In the new system, well organized interest group activity hampered the swift passage of bills which favoured economic elites and forced government to better justify and explain policy initiatives that seemed to favour the corporate community or suffer the critical consequences

of interest group scrutiny. Given the rise of interest group activity in the political process, the corporate community is beginning to show signs of adapting to the new system of public policy making. The proliferation of corporate government relations departments, as well as corporation's usage of government relations consultants, indicates that they are beginning to realize that the policy process is a much more complicated and competitive system than it once was.

The recent development of interest group participation in the policy process and the very unique nature of the new system of lobbying activity in Canada, has lead experts such as Wilson, to ponder whether our political system is being forced to move toward one resembling the interest group politics characteristic of the American Presidential - Congressional system of government. Due to the separation of powers between the President and Congress, and the weak tradition of party discipline, the American system was designed in such a manner that bargaining and consensus building were to be necessary components of the democratic policy process. Once a bill is proposed by the President or Congress, regardless of partisan ties or ideology, Congressmen decide to support or oppose a bill in light of the pressure brought to bear on themselves by lobbyists and interest groups. Subsequently the very system of government has placed lobbyists in a near institutional position of relative power.

In Canada on the other hand, the fusion of power between the executive and

legislature combined with a strong tradition of party discipline, has traditionally forced lobbying activity away from Parliament and toward the centre of decision making, i.e. the Cabinet and senior civil service. Because there has been no institutional role for lobbyists, their traditional approach has been to lobby at an earlier stage in the policy process, very quietly, utilizing the techniques of elite accommodation. Presently, with the recent reforms in government decision making structures, many lobbyists are beginning to push the system further in the direction of "a priori" legislative consideration and institutional representation to interest groups. The creation and subsequent publicizing by interest groups of Parliamentary committees, has in some instances weakened party discipline. Coalition and public opinion building combined with effective media management has given some interest groups the power to force backbenchers to break with party discipline. However, there are a number of structural differences between the American and Canadian political systems, which at present still limit the role of the Canadian Parliament vis-a-vis the Cabinet. The development of minority or coalition governments in Canada might be one factor that will strengthen the role of Parliament in the future. Further comparisons between the American and Canadian systems of government will be made in the following chapter.

If lobbyists can succeed in obtaining such a high degree of intensive, committed support against a government initiative in a given constituency, then the public choice theory would lead one to believe that the politician in question would give serious

consideration to breaking with the party line in order to shore off sure electoral defeat. The situation is complicated by a variety of factors found in regionalism and the party system, but nevertheless it raises some serious considerations for the future of Parliamentary government in Canada.

Considering the relationship between lobbying and media technology, one finds that lobbyists are increasingly utilizing the media in order to focus public attention upon particular issues. They have been very successful in obtaining media coverage of issues and adding a very public dimension, as well as, adding additional political fuel to policy debates. Thus interest groups and lobbyists have caused the media to become an increasingly significant variable in the policy process. Prior to the proliferation of interest group activity in the political process, traditional print media coverage of politics centered upon party politics, and was not extremely issue intensive. By concentrating on traditional Parliamentary politics, the coverage of the official opposition's continual criticism of government policy was mechanical and expected, for it is their Parliamentary role as the official opposition to critique government policy. Thus the media's coverage of the opposition role in policy development contained little drama above the systematic and expected opposition criticism of most government bills usually ending with the majority government's swift passage of most bills. Given the recent development of interest group usage of media in order to attract public interest in the policy process, the media's coverage of this type of new confrontation in Parliamentary Committees, (as well as coverage

of interest group activity outside government) has increased the significance of Parliament and has added a new dimension to the larger political process.

Many Canadian political scientists and political pundits have argued that television news coverage of government and politics is presented in such an ephemeral and condensed manner that it has led the average citizen to adopt image, perception, and the personality and style of political leaders, over the substance of policy, as the way in which they evaluate political information. Due to the reality that entertainment values have been imposed upon the political process by the media, the public at large has become desensitized to the intellectual substance of public policy.

Given the public at large is not given the information necessary by television news to become informed concerning the more technical and complicated elements of public policy, interest groups and lobbyists are usually the only actors in the political arena attempting to influence public policy on the technocratic and substantive elements of the particular policy in question. Thus, interest groups and lobbyists are given the opportunity to present their criticisms of government policy to an uninformed public, that will often decide in favour or against a particular policy based solely on a perception of the issue. Given that elected officials increasingly consult public opinion polls when making public policy decisions, elected officials will usually only respond to public discontent with a particular policy, if the media has heightened public awareness of an issue fostering a high level of salient discontent among the

public at large. As a result of the fact that negative items such as conflict and sensationalism are "newsworthy" items sought out by television news, elected officials and the issues they are dealing with, are usually presented in very negative and cynical terms to the viewing public. Clarke and his co-authors in Absent Mandate: The Politics of Discontent in Canada, outline that this has fostered quite a high level of public cynicism, discontent and distrust of politicians in Canada.⁶ Thus, lobbyists have found that public opinion is more easily swayed against a government policy than in support of any government action. These new developments have lead lobbyists to take on the manipulation of public opinion through the usage and management of media as a central component of lobbying strategies utilized in the 1990's.

Clarke provides survey evidence indicating increased levels of public discontent and cynicism towards our political process. Clarke concludes that the situation has greatly complicated our political system.

The politics of the 1980's will unfold in an atmosphere of citizen disengagement from the political process and dissatisfaction with the political authorities. Despite widespread discontent with the performance of government in the economic realm and with respect to the operation of the Federal system; most Canadians continue to be supportive of their national political community. Dramatic public protests or complete withdrawal from the institutions and process of the national political system are unlikely; but the people's representatives in Parliament will have a very difficult job ahead of them in the 1980's and beyond. Although

these politicians and their parties are not exactly "running on empty" it is clear that they have little in the way of a reservoir of good will on which to draw on as they try to deal with the country's persistent economic dilemmas.⁷

When a lobbyist believes he/she may have public support against a proposed government policy, the utilization of media will usually become a central aspect in the development of a lobbying campaign aimed at increasing the salience of public opinion against the government. As the case of the anti - tobacco interest groups and Bill C - 51 will reveal in the following chapter, interest groups may also be successful with media campaigns aimed at increasing public support in favour of a particular government bill or issue. Whether campaigning for or against government policy, one popular media oriented lobbying technique is the usage of advocacy advertising in major newspapers in an attempt to build public support and sway public opinion.

When lobbyists are faced with a low level of public support for an issue of concern, the lobbyist will attempt to keep the issue of the media agenda and benefit from accessible institutional structures in an attempt to manage the civil service, Parliament and Cabinet from the inside.

In the 1990's a new decision making process has emerged and has demonstrated its power on a number of occasions. New lobbying techniques combined with parliamentary reforms has lead to what is paramount to a new political system. No

longer is the political party the focal point of policy. Nowadays, lobbying efforts do not end once a bill reaches Parliament. Lobbyists will go directly to the public in an attempt to manipulate public opinion to their side. Politicians, being very sensitive to public opinion polls, have on occasion been forced to reverse policy proposals. Thus, on one level, the new system does involve a higher degree of public involvement, but a grave problem exists in that the public is treated just like another variable to be manipulated for the objectives of the government, interest groups, and the media. The system resembles a very competitive game where the public interest is defined in very broad terms. The key to what degree of success or failure this new policy process will experience is still held by the public at large. The relative discontent and cynicism of the average Canadian citizen towards government and politicians will give individual lobbyists more power in shaping the structure of decision making in Canadian government. The successful manipulation of public opinion is the central element that will give legitimacy and thus political power to a lobbyist in order to be able to pressure the government into implementing the lobbyist's particular policy requirement.

As discussed, lobbying has become a widespread, complex and multi-dimensional element of the political process in Canada. The increased amount, scope, and intensity of lobbying, as well as new lobbying tools and techniques are having an immense impact on the structure and process of Canadian Government. This type of "quasi" pluralism will dominate the 1990's for we have in place the

multitude of interest groups required for a pluralist state, but at the same time we have not adequately developed institutional mechanisms to integrate the input of these groups in a manner congruent with our Parliamentary (Cabinet) system of governmental decision making. "Pressure groups and departments while by no means excluded from the advisory process are not to be given a priori the opportunity to dominate the input stages."⁸

The degree to which interest group activity is replacing the traditional role of political parties in the policy process is a fundamental question in the evolution of our political system. Some like Pross suggest that this is already occurring and having an enormous impact on public policy. If this is occurring, then the ramifications this will have on Canadian Parliamentary government is an extremely important phenomenon which will warrant considerable research in the future. The research presented in this thesis would indicate that if interest group lobbying continues to grow and dominate the policy process, eventually party discipline will begin to erode, and stable majority governments might become a thing of the past. All legislation will have to win the support of a majority of M.P.'s being lobbied by many interest groups utilizing a variety of effective tactics. Will the government eventually lose its ability to set the public agenda to the lobbying activity of pressure groups?

The proliferation of interest groups, combined with the decline of elite accommodation has lead to the development of a new political process where interest

groups and lobbyists utilize a multitude of new lobbying techniques and strategies. Gillies of York University outlines three basic strategies which contemporary government relations entail. These are: 1. mutual accommodation 2. the issue by issue approach and 3. the political approach. Given the erosion and subsequent failure of the traditional mutual accommodation system, Gillies argues that business has been forced to adopt the issue by issue approach in their dealings with the government. Given the new decision making structures and the new policy environment Gillies outlines eight items required for successful lobbying in the 1980's.

1. Represent a large number of voters.
2. Be allied with significant groups.
3. not call for the expenditure of government funds.
4. Add to total employment.
5. Be in tune with the political climate of the moment.
6. Have useful and accurate information about the impact of the issue.
7. Be supported by other trade associations.
8. Contact the right people in cabinet before it gets to Parliament.⁹

Numbers one, two, five and seven, illustrate the very competitive and potentially politically sensitive environment the new decision making process operates within. Number six illustrates that with the introduction of more formal participatory mechanisms, lobbyists must have well researched and articulate arguments to present to relevant Parliamentary committees or government bodies. Number eight illustrates the consolidation of power in the Cabinet, PMO, and PCO in that participation in the formal policy process does not necessarily mean influence. Attempting to influence

decision makers behind close doors is still a preferred and usually more effective way of influencing public policy in Canada. If suasion can be accomplished at this stage, then the lobbyists in question will not be faced with the difficult task of politicizing an issue in an attempt to gain public, parliamentary and civil service support that might impact upon the domination of the cabinets in the decision making system.

Pertaining to the bifurcation of the policy system, with an opening up of Parliamentary and administrative structures, and the consolidation of political power in the PMO and Cabinet, Litvak argues that two basic systems of lobbying are now utilized by lobbyists. These are "quiet diplomacy" and "the public route."¹⁰ Litvak states that, given the present dynamics of the decision making system, lobbyists should first work with bureaucrats and politicians on the technical as well as political merits of a particular issue before entering into the very public domain of the parliamentary participatory structures and/or the domain of media oriented lobbying. Litvak maintains that the first phase of any lobbying strategy should be to try and gain access and influence to the hub of decision making, ie the Cabinet and PMO. If this behind close doors or old style elite accommodation technique fails, (as Litvak indicates is increasingly the case) then the lobbyist must develop a "public route" lobbying strategy, which would entail the usage of media devices. Some of the techniques of Litvak's "public route" include: politicising issues, media management, advocacy advertising, coalition building and demonstrations. Litvak's work supports the notion that access to the centres of government power is still a preferential route

of lobbying in our parliamentary system (ie. elite accommodation to Cabinet). Given failure at this stage, (which is now more prevalent with the increased number of interests groups cabinet is forced to consider) Litvak maintains that one can still influence government with effective political pressuring outside parliament, the effective usage of participatory government mechanisms, and the development of public opinion with a usage "public route" lobbying techniques. The proliferation of interest group activity has allowed for this new process of lobbying and decision making to develop and to be an managed effectively for a number of participants in the system.

Chapter VI: The American Experience and Some Implications for Canada

Theodore Lowi's The End of Liberalism is an extremely significant work in relation to the study of public administration in modern democratic states. The End of Liberalism is an inquiry into the actual character of contemporary liberalism, its tenets, its origins, and the State and policies it is responsible for.¹ Lowi analyzes how liberalism has been integrated with the governmental system of The United States leading to a system of interest group pluralism which has failed as the public philosophy of the state. According to Lowi, "liberalism", (and its modern form, pluralism) as the philosophy of the State, has lead to many bureaucratic, legal and moral failures, including a pending crisis of public authority in the United Sates.

The American experience with pluralism and interest group politics provides us with an excellent example of the possible misgivings of interest group politics which Canada might very well experience in the near future. As previously outlined, the American Presidential - Congressional system of government was designed in such a manner as to encourage and facilitate interest group politics. The Founding Fathers utilized Locke's ideas of classical liberalism, free enterprise, the sanctity of property and the binding morality of contract in the creation of an American ethos. In the drafting of the American Constitution the ideas of free competition, diversity of interests and representative government were integrated into the system of government that was being designed. The Presidential - Congressional system was to be based on an extension of the "laissez - faire" capitalism of Adam Smith.

Groups would be able to compete for the support of government, while mechanisms would be set in place to insure that monopoly situations would not arise. There would be a separation of powers between the Congress, the President and the Courts, and a system of checks and balances would insure that no group in society could tyrannize another group in society, and that social harmony could be achieved. With respect to the relationship between economics and politics, Lowi explains:

Based on the same dynamic of competition, the notion spread from Smith that the market produced extremely important social as well as narrowly economic benefits. The equilibrium of which such economists spoke came to mean not merely stability of prices near actual costs but, also to mean social stability.²

To accompany this economic based belief, pluralist notions were created and integrated in the American political system. The political process, like the economic system, would be based on self regulating and self adjusting free competition among different fractions in society. The only problem with this seemingly idealistic framework was that, in Lowi's words: "The capitalistic assumption that capitalistic processes produce their own social solutions is sheer mythology ... in the extension of this image of an automatic society lay the seeds of its decline."³ The reality was that the system was not self - adjusting, and equilibrium was not always achieved.

Competitive pluralism was to experience difficulty in the United States for the obvious reasons such as the fact that not all groups in society had equal representation and resources. However, Lowi points out that regardless of all the inadequacies inherent in this type of politics, pluralism was to fail in The United States for a much more important and all encompassing reason. This is the stark reality that pluralism is void of any moral doctrine. There is no definitions of right and wrong in pluralist theory. Pluralism defines only process, not substance. As a result, Lowi states that: 1. offices become separated from holders of office. 2. society and government becomes complex and fragmented, and as a result interests become more numerous and complex. 3. there is increased potential for conflict.⁴

Lowi outlines how American interest group liberalism (a mixture of capitalism, statism and pluralism), has become the new public philosophy of the United States. Interest groups have grown and flourished within this system. Arguably, power and control are widely distributed. No single class or interest rules. However, at the same time no substantive public philosophy or ideology becomes dominant in giving any guidance to the system. In theory, Dahl's concept of "polyarchy" allows many groups representing a wide variety of interests to participate in government and prevent any one group or interest from dominating. Thus according to Dahl: "the making of government decisions is not a majestic march of great majorities united upon certain matters of basic public policy, it is a

steady appeasement of relatively small groups."⁵ According to Lowi, liberalism leads to pluralism, and pluralism helps to magnify the reality that there is no guiding public philosophy in liberalism beyond progress and equality. Thus according to Lowi, pluralism becomes morally bankrupt and as opposed to Dahl, Lowi believes that the "steady appeasement of relatively small groups" is quite detrimental to the well being of society as a whole.

The emerging public philosophy interest group liberalism has sought to solve the problems of public authority by defining them away. This has simply added the element of demoralization to that of illegitimacy. Interest group liberalism seeks to justify power and to end the crisis of public authority by avoiding law and parcelling out private parties the power to make public policy. A most maladaptive political formula, it will inevitably exacerbate rather than end the crisis, even through its short -run effects seem to be consensus and stabilization.⁶

Liberalism as personified by interest group pluralism, has in effect paved the road to its own undoing with its inherent contradictions between utilitarian and Kantian ideas. Kantian liberalism was intermeshed with utilitarian liberalism when the State began to attempt to improve the general welfare of society with such measures as progressive income tax and welfare programs. Both pure individualism and pure pluralism have failed. Presently we witness a mixture of utilitarian and Kantian liberalism operating under the myth of Classical Lockean liberalism. According to

Lowi, America must recognize this reality and set the record straight. The public philosophy must be reconciled to legitimize utilitarian liberalism, and give a sense of community and direction to interest group liberalism. At present, interest group liberalism as the public philosophy is only manifested by the public's support for individual rights. It seems that the United States needs a certain amount of "tyranny of the majority" (which Madison so diligently designed the Constitution to prevent) in order to give guidance and legitimacy to interest group liberalism. Possibly a number of conservative based reforms might be necessary to redress the current crisis of public authority. In Canada, the Parliamentary system of government has traditionally given the executive the ability to dominate and impose a "public interest", (as expressed in their electoral platform and Party ideology) upon society. Given this traditional power of the executive, consultation, consensus seeking, and accommodation have been the way in which Canadian government justifies policy action. The recent trend of interest groups lobbying government utilizing the media to encourage a public review of issues, may complicate and crowd the policy agenda. This may alter the political process to such a degree that a Cabinet would be unable to implement policy, (that their majority government gives them the legitimacy to do) which they believe is in the greater public interest. Increasingly, Canada may have to rely upon interest groups to communicate to government what the "public interest" really is. If this "liberal" process of defining the public interest is a more accurate reflection of the desires of the Canadian public, remains to be seen. It must be noted that a greater number of expert opinions given the political power to

impose that opinion on government, may not include the proper and best solutions. Even if interest groups are able to promote a greater clarity in the dimensions of the issues, this may in fact, lead to a greater polarization of the community.⁷

With regard to the merits of pluralism, Dahl states; "when two individuals conflict with one another they confront three great alternatives; deadlock, coercion or peaceful adjustment."⁸ Lowi continues, stating that due to the dynamics of interest group liberalism, capitalism and conflicting interests often deadlock, and coercion seem to arise more often than peaceful adjustment.⁹ Put simply, within this system, someone wins and someone loses. However, unfortunately for all people in society, the general public seems to always lose out in this system. The needs of society as a whole are often by-passed in this process. This coercive, competitive process is void of any public philosophy or leadership and "since it is well enough accepted to go unnoticed this coercion can be called legitimate...since it is regular and systematic it can be called administration."¹⁰

Canada might very well have a lesson to learn from the American experience. Due to the fact that American interest group politics has been given the framework to flourish, the system has legitimized interest group and lobbying coercion, which has in turn become acceptable to the public at large. Thus public policy which may harm influential interest groups in the short term, but which are designed to be good for society in the long term are rarely successful in passing through Congress unamended.

Consequently, interest group politics rules, and it governs in an un-responsible manner. Concerning the subject of the public interest and how its desires are expressed by interest groups in the American political system, the following quote from David Stockman, former director of The Office of Management and Budget in the 1984 - 1988 Reagan government seems to indicate that the dynamics of the political process causes short term monetary interests to dominate the policy process:

The public is not interested in doctrine, when it is interested at all, it is interested in getting help from the government to compensate for a perceived disadvantage. Consequently, the spending politics of Washington do reflect the demands of diverse sectors of the population. What you see done in the halls of the politicians may not be wise, but it is the only real and viable definition of what the public wants.¹¹

Thus as Lowi argues, liberalism replaces systematic planning with bargaining. Stockman states that the politics of a capitalistic - pluralistic political system is to blame for preventing the implementation of a complete, responsible economic program which reflects the interest of the country as a whole.¹²

With regard to the Canadian experience, Khayyam Paltiel notes that there seems to be a movement toward an ungovernability of modern industrial societies due to governmental overload. He argues that the vast number of conflicting demands on political and bureaucratic decision making pressures combined with economic problems is leading toward governmental stalemate.¹³ As the country most developed with respect to interest group politics, the situation in the United States might very

well allow one to peak into the possible future of the Canadian political process.

In light of interest group demands for more political power in Canada and the slow erosion of parliament vis-a-vis cabinet as an important institutional decision making element of Canadian government, new structures must be created in order to maintain a proper balance between specific pressure group interests and the interest of the public as a whole. The continued consolidation of decision making power in the PMO is one possible solution. However, this alternative will move Canada closer toward a Presidential system of government, the Canadian system will lack a crucial and "democratic" aspect of the American system. This being a Congress with Constitutional powers which allow it to act as a democratic check on the President and any possible abuse of power that may arise. The consolidation of power in the PMO does not give much institutional, democratic and representative political power to interest groups. With majority governments adhering to strict party discipline in Parliament, The Prime Minister and Cabinet do not have to give the same consideration to the activity of interest groups in parliament that American Presidents have to give to the lobbying activity of interest groups and lobbyists in Congress.

In order to try and achieve a stability between the "public interest" and competitive democracy, James Buchanan's Liberty, Market and State seeks to achieve equilibrium between democratic ideals (liberty, individual rights and majority rule)

with capitalism (the free market) and justice (the rule of law, protection and security of the State). One proposed way to accomplish this ideal balance may be found in Buchanan's attempt to curb individual self - maximization from preceding the public good with the "Rawlsian" limit.

In an idealized contractual setting, the individual is modeled as making a choice among alternative decision rules without knowing how the operation of particular rules will impact on his own personal interests or values... In the Rawlsian logic, the contractor, not knowing whether he will find himself red, white, green or black, is unlikely to agree on any rule that does not assign equal weights, *ex ante*, to persons from all groups.¹⁴

In addition to public choice theorists such as Buchanan, many argue that participation in government must be re - aligned on co-operative corporatist or tripartite basis instead of competitive pluralism. In order to solve the present "tyranny of the status quo" brought about by incremental pluralism, Raymond M. Seidelman suggests that a new type of corporatism might be the answer.

A State insulated from the political process required a new social consensus that allows the "confusion" of the political process to be by-passed in favour of an alternative means of structuring "cooperation" since the job of "rebuilding America" will no doubt be difficult, dangerous, and dirty, requiring many necessary "sacrifices" voluntary cooperation must be obtained so that public policy can be implemented.¹⁵

Nonetheless, the question remains: Could this type of ideal co-operation and consensus surrounding the "public good" be achieved in a modern participatory state? This problem which we have arrived at, revolves around one of the most central questions of "democratic" theory. Simply stated the question is: to what extent do Plato's philosopher Kings, or Burkeian interpreters of the public good have the power to rule and to what extent should mass democracy be the guiding force of public policy. History has revealed that each extreme tends to fail. Thus, what is necessary is to create a mixture of the two under the guidance of a basic public philosophy incorporated in a Constitution under which a majority in society agree upon. In Canada this will be a difficult task, for Conservative, liberal and socialist philosophy have deep regional and political ties in certain regions of Canada. Federalism, combined with the bilingualism question are but a few of the factors that will make it increasing difficult for government to bring the numerous interests that are gaining strength across the country to agree on a few basic principles from which the country will be governed upon. The present situation with respect to the failure of the Meech Lake Constitutional accord is one case in point, where due to the numerous interests found in Canadian federalism, the Provinces were unable to agree upon a Constitutional amendment.

The answer to this interest group or pluralist dilemma, (which is showing signs of impacting upon Canadian public policy in the last 15 years) may be found with a re- adjustment of the lobbying process so that it is forced to operate within the

framework of the "public interest". Which ever formula is utilized to create such a system, it must be kept in mind that the only politically viable solution which will simultaneous achieve both democratic and administrative goals, must first achieve a broad national consensus on the basic values which form the "public Interest". A few of the issues which must be reconciled are; what type of federalist or two nation theory do Canadians subscribe to? Do Canadians believe in working towards a bilingual country? Is the community or individual paramount with respect to democratic rights and freedoms? Furthermore, any national consensus that is achieved must become deeply rooted in peoples minds in order that they can survive the combats of the interest groups concerned.

Numerous examples (as discussed in this paper) reveal that Canada is moving towards the type of interest group liberalism found in the United States. Although Canada might never arrive at a pluralist system on par with that of the United states, we are, and will continue to experience some of the shortcomings and failures inherent in a political system based upon interest group politics.

Will the power of the Canadian parliamentary system and the political culture attached to it, be enough to curtail such a disruptive system from developing in Canada? Will Canada be able to maintain the check of a somewhat elitist and closed Cabinet decision making process in light of demands for greater access and influence in the policy making and decision making process? Or will the politician's resistance

to share decision making powers lead to an extremely cynical, manipulative and interest based political process where a no win scenario develops for the needs and desires of the public at large?

At a conference sponsored by the Canadian Public Administration association in 1983, called to deal with the raise of interest groups in the political process, Hugh Faulkner summed up the current impasse.

The enormous proliferation of interest groups in the 1960s and 1970s has broadened the agenda of issues that comes before government. Thus far, our experience with this proliferation suggests that our political system needs to design new ways to cope with these interests.¹⁶

The fact that an increasing large number of interest groups have been lobbying the government vis-a-vis the new "public route" of lobbying, indicates the traditional Cabinet elite accommodation structure is failing to adequately deal with non institutional pressure groups. The very basis of elite, "behind close doors" influence in government, has been eroded by this public type of lobbying. In responding to these new lobby pressures, governments are beginning to address public policy issues in response to media re-action. As previously outlined, white papers are being used as trial balloons, government departments now have public affairs departments which attempt to manage pressure group manipulation of departmental policy. Government is experiencing great difficulty in dealing with the non - elected Senate with its recent

blockage of government bills. Deliberations between civil servants and their clientele are no longer a-political, they are manipulated by the players involved. Regardless of Cabinet's desire to insulate itself from the larger political process and take its own preferred decisions, the Cabinet can not totally insulate itself from the other aspects of government and demands of lobbyists. The hub of decision making in Canadian government (the Cabinet) is being forced both by internal and external pressures to take into consideration the policy preferences of lobbyists.

Whether the Canadian decision making process will be opened up further or not, Canada is beginning to show signs that it might very well soon experience some of the problems Lowi has outlined with interest group pluralism. In either scenario it is likely that interest groups will utilize their power to create public policy in their particular interest. In a very open decision making process, or under a closed system, lobbyists will utilize their new found political power in order to either publicly criticize (and thus give less legitimacy) to government in a closed decision making system or apply increased political pressure in an open system. With respect to public administration Pross argues that:

In multiplying the number of actors participating in policy - making, it increases the complexity of the system and considerably heightens the degree of uncertainty in the public servant's decision environment. Both effects make working with pressure groups in the seventies vastly more difficult than it was in the past. Appeals to the public are more frequent; the likelihood of confrontation is greater; public scrutiny of administrative action and of policy advice seems to occur more often; criticism of individual administrators, rather than their political

superiors, and attacks on the bureaucracy appear to be more prevalent.¹⁷

Attempts by Governments to reduce some of this tension by increasing interest group involvement before standing committees, task forces and other government bodies, has in essence failed. Realizing the limited significance and influence of these committees, interest groups and lobbyists only use these bodies as devices to publicize their particular interests utilizing "public route" style lobbying. Knowing that this is the only way to have their political power impact upon the executive once attempting to convince cabinet has failed, lobbyists will never be content with the current Parliamentary system that is unable to recognize political power, influence or clout. The process of first working with civil servants, then attempting to influence cabinet and then utilizing Parliamentary bodies as a stage to mount "public" style lobbying campaigns will continue to be the most prevalent style of Canadian lobbying in the 1990's

In light of these developments, if Canada is moving closer toward an extra-Parliamentary, public style system of interest group politics, then questions of accountability must be addressed. Pressure groups are only accountable to their members, not the public at large like the Parliament of Canada is. Interest groups work only on behalf of their particular interest, and only seek public support when they feel that it is to their advantage. If the decision making process is modified much further by interest group politics, how is government going to insure that under this system, these interest groups do not consistently damage the public good in order

to increase their position of relative strength? If the current re-alignment of the decision making process continues, political responsibility and accountability will move into the hands of groups which are in no way legally or institutionally responsible or accountable to the public. Following the American experience minorities will be able to tyrannize the majority.

Fearful of this, as well as losing their own political control, elected officials are considering how to accommodate demands for participation, while at the same time maintaining a system of political accountability and responsibility to the public at large. Paltiel summed up this pending crisis by stating that the role of political parties in parliament as creators of policy and defenders of the public interest has been reduced to ratifiers of decisions taken by bureaucrats and party elites in consultation with interest groups.¹⁸ Parliament is losing its role as a link between cabinet and the people of the country. Within the new interest group system decision making and accountability have become confused and deranged. No longer does a political party present a platform to the public, win an election, present policy to Parliament and govern the country. Interest groups and lobbyists have managed to complicate every stage of this process. Increasingly, interest groups are forcing political parties to maintain a brokerage electoral system, revolving around very general and vague policy agenda's. Due to the newly rising political power of interest groups in Canada, governments are being forced to create new policy and alter or retract electoral policy proposals once elected. The Mulroney government's retraction

of a proposal to de-index old age pensions in light of organized public reaction against the plan is one such example. Increasingly policy agenda's are revolving around by pressure group politics. Subsequently the traditional roles of political parties and Parliament have been eroded and the public is left to evaluate governments that have great difficulty in presenting a vision to the public at large and maintaining an consistent and constructive political agenda. In this sense, in a manner quite different than in the United States, Canada has also reached a crisis of public authority.

Chapter VII: Case Study

Bill C - 51, "an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products" was passed into law by the Parliament of Canada on June 28, 1988. The events leading up to the passage of the bill, provide an excellent example of well organized and well financed lobbying campaigns on behalf of the tobacco industry and the anti - smoking lobby. The case study demonstrates the erosion of the elite accommodation decision making system and the subsequent failure of the tobacco industry and anti - Bill C - 51 lobby. The case exhibits the new system of lobbying and interacting with government and the new rules of the game which have arisen. The case also depicts many of the new elements which are a part of this new policy process.

The significance of the case is demonstrated in that one would believe that under the dynamics of the traditional elite accommodation system of decision making, the tobacco industry would have been able to prevent this harmful legislation from becoming law. The case demonstrates that elite accommodation has failed the tobacco industry. The case demonstrates that the lobbying efforts of the interest groups supporting the bill, and their effective usage of the new decision making process that has emerged with the erosion of elite accommodation, were the overriding factors responsible for the passage of the legislation.

The bill was presented and subsequently adopted by Parliament after the following chain of events: 1. pressures brought to bear on the federal government by the Canadian Cancer Society and a multitude of other anti - tobacco interest groups; 2. in reaction to two other more far reaching bills proposed in Parliament, C - 51 was viewed as a compromise; and 3. in light of publicized medical evidence which revealed beyond the shadow of a doubt, that smoking was hazardous to one's health, it was believed that prohibiting the advertising of tobacco products would reduce the number of young people who consume tobacco products. It was thought that this would have the long run effect of reducing the cost smoking related health problems were having upon the medicare system.

Once the substance of Bill C - 51 had first been discussed by civil servants, health professionals and politicians, the tobacco industry prepared a well organized and well financed lobbying strategy to combat such a bill from becoming law. This campaign was stepped up in the following months and included the usage of barrage of public affairs tools and techniques.

The Tobacco Council eventually came to realize that there was an erosion of the elite accommodation system and of their powers contained within that system. The Council subsequently embarked upon a lobbying campaign which utilized the techniques and strategy associated with a lobbying campaign reflective of the new more competitive and "public" decision making process that has emerged. As Gillies,

Litvak and Stanbury have shown, in order to participate effectively in this new system lobby groups must be aware of how to utilize techniques such as ; advocacy advertising, coalition building, media management, publicity stunts and the manipulation of public opinion, as well as the more traditional techniques of "inside" political arm twisting. This case demonstrates that all the stakeholders involved with this issue lobbied in such a manner as to expose the erosion of the old elite accommodation system in favour of a new and very different system.

The Canadian Tobacco Manufactures Council, (An organization funded by and representing the major tobacco companies in Canada) directed a lobbying effort which utilized the lobbying techniques representative of the old elite accommodation system, as well as the more "public" lobbying techniques indicative of the new quasi pluralistic decision making system. Coalition building with affected groups was put into place. As well, advertising campaigns aimed at obtaining public support by explaining the misgivings of the bill were organized. The industry hired a variety of public relations firms, lawyers and "insider" lobbyists.

In addition, studies and research projects were commissioned, as well as public opinion polls and the preparation of a legal case against the bill. While not anticipating Bill C - 51 years in advance, the tobacco industry seemed to be well prepared to combat the bill at the Parliamentary stage. The failure of the tobacco industry's first strategy to utilize elite accommodation techniques to prevent the bill

from reaching Parliament was met with a concerted effort to discredit the substantive and technical inadequacies of the bill, and then to participate in the competitive quasi pluralistic decision making environment that has emerged and compete with the anti-tobacco groups in the public arena. Given the alterations in decision making structures previously outlined, the anti-smoking groups were to take advantage of their new found access and ability to participate in the new policy process in order to publicize the bill. Thus, these groups were to force the tobacco industry to lobby in the public arena, where imagery and the manipulation of public opinion are much more important than rational, legal or technocratic arguments presented to government.

This case demonstrates the erosion of elite accommodation in that the powerful tobacco lobby was unable to prevent the bill from first reaching parliament and then unable to evade the successful campaign of the anti-smoking groups. The erosion of the elite accommodation system gave the anti-smoking groups the opportunity and platform to mount a successful lobbying campaign against the tobacco industry. The anti-smoking groups used their access to parliament as a stepping stone in a campaign which utilized the media to politicize the issue in an effort to manipulate public opinion and build a strong coalition to be used as a political tool that was to force the government into passing the bill intact.

Regulation of the tobacco industry did not represent a totally new government

initiative. In the past, the government had only to use exhortation to insure that the tobacco companies strictly follow their self imposed advertising code. In 1983, the government exerted successful pressure to have the tobacco companies amend the code on January 1, 1984. In addition, prior to bill C - 51 the federal government required that on all cigarette packages and advertisements a warning be printed stating: "Warning: Health and Welfare Canada advises that dangers to health increase with the amount smoked - avoid inhaling". All levels of government have introduced, to varying degrees, laws regulating where one can and cannot smoke, ie. in government buildings, department stores, etc. It is evident that the erosion of the tobacco industries ability to prevent harmful legislation from all levels of government had began prior to bill C - 51.

The Federal and Provincial governments have also used a popular governing tool to discourage smoking; that of taxation. Since the mid 1970's taxation of cigarettes has increased progressively to the extent that in 1986 " governments get 64% of the average consumer dollar for a package of 25 cigarettes, while the production sector (growers, producers and manufactures), get less than 20% with the other 18% going to the tobacco trade, (wholesalers and retailers)."¹ In 1990 in the province of Quebec, 67% of the cost of a package of cigarettes goes to governments.

The specific problem which Bill C - 51 is suppose to address is the relationship between the advertising of tobacco products and the effect it has upon encouraging

people to smoke. It should be noted that the government did not commission a special study to examine the correlation between advertising and the reasons why people smoke. Rather it was public pressure developed by many of the anti - smoking interest groups which was in the forefront of the development of three bills; a private members Bill, (C 210), a Senate Bill, (S -4), and Bill (C -51), the government bill. Bill C - 51, the less stringent of the three, became an important priority to then Minister of Health and Welfare, Jake Epp. From a detailed examination of the bill itself and press releases from the Minister of Health and Welfare, the intent of the bills seemed to be at reducing the number of minors who smoke due to the influence of cigarette brand advertisements. Thus the legislation contains an assumption. It assumes that there is a link between taking up smoking and advertising. The Canadian Tobacco Manufacturer's Council has argued that the legislation will in reality have no effect on reducing the number of people who smoke. The Tobacco Council argues that they advertise only to get smokers to switch brands and that people do not take up smoking due to cigarette advertising.

The Tobacco Council commissioned the Children's Research Unit of London England, (a highly respected market research firm that specializes in research among children and young people) to conduct a research survey into the factors leading young people to take up smoking. The study attempted to uncover data which might indicate whether or not advertising was perceived by Canadian children as having influenced them to smoke their first cigarette. 1200 interviews were

completed with children 7 to 15 years of age across Canada. "To promote geographical representation a number of quotas were imposed to insure a good mix of all ages, sexes and socio-economic backgrounds."² The interviews were conducted in shopping malls using private interviews with one child at a time.

As table 4 on the following page indicates, the Tobacco Council argued that only 2% of the total score stated that advertising was a reason the minor began to smoke. Thus the Council made the case to government that the bill was not an effective way of achieving a desired end and that other measures such as enforcing a law requiring a person to be over 16 or 18 to buy cigarettes would be a more logical, efficient and effective way to address the problem of preventing children from smoking. The Council argued that this illustrates that the bill is politically inspired and that it will only have the net effect of increasing unemployment in advertising and other industries that benefit from tobacco advertising.

Table 4

REASON FOR TRYING FIRST CIGARETTE

	Total	Unaided*		Aided
		Boys	Girls	
Curiosity	46%	41%	49%	48%
To be like my friends	18%	16%	20%	14%
Someone gave me one	—	—	—	9%
Peer pressure	13%	11%	14%	—
Mom let me try one	3%	5%	1%	—
Dad let me try one	2%	2%	2%	—
Because my parents smoked	—	—	—	6%
To be cool / For fun	7%	9%	5%	—
I tried it for a dare	—	—	—	5%
To look older	1%	2%	1%	2%
To show off	—	—	—	1%
Was told to / Forced to	2%	2%	2%	—
I had seen advertising	—	—	—	2%
I found one	—	—	—	1%
Other	3%	3%	2%	9%
Don't know	11%	11%	12%	—

Source: Children's Research Unit.
 "An Examination of the Factors
 Influencing Juvenile Smoking
 Initiation in Canada". London,
 May, 1987, p. 9.

The Tobacco Council's lobbying strategy of illustrating to government and the public that Bill C - 51 was a poor bill, was further developed by the Council pointing to the fact that advertising bans were implemented in other countries and that results showed that this has not had any effect in reducing the number of people who smoke in these countries. The Council utilized the following data (Contained in table 5) to illustrate that an advertising ban of tobacco products had been in effect in Norway since 1975 and the number of 15 year old children who smoke in Norway has not

declined. In fact, it is the highest among all the countries in the survey. In conclusion the London report stated that since the 1975 advertising ban, the amount of 15 year olds that smoke has not declined.

Table 5

	11-15 YEAR-OLDS: PERCENTAGES SMOKING THIS NUMBER OF CIGARETTES PER WEEK			TOTAL PERCENTAGES OF 11-15 YEAR-OLDS SMOKING
	1-6	7-39	40 -	
England	3%	7%	3%	13%
Wales	3%	6%	2%	11%
Scotland	4%	9%	4%	16%
Australia	3%	4%	2%	9%
Norway	4%	6%	3%	13%
Spain	3%	3%	1%	7%
Canada	4%	6%	5%	15%

N.B.. Hong Kong figures were too low to be broken down.

Again, the similarity is obvious, except for Spain. In most countries, there are similar lower proportions at the two extremes — less than seven cigarettes a week, or more than forty. The middle-of-the-road group is usually about twice the size of either of these groups.

* *These findings suggest that, irrespective of advertising restrictions, the amount smoked in each country appears to be independent of the variation in advertising controls although one argument advanced for such government restrictions has been that they influence not the fact but the amount of smoking.*

Source: Children's Research Unit.
"An Examination of the Factors
Influencing Juvenile Smoking
Initiation in Canada." London,
May, 1987, p. 19.

In response to the Tobacco Council's publicity of this report, The Canadian Cancer Society argued that the report did not take into consideration the large volume of tobacco sold for hand rolling in Norway. The Canadian Cancer Society stated that in the last 15 to 20 years in Norway, smoking tobacco has accounted for about two - thirds of the total sales of manufactured cigarettes and smoking tobacco together. Thus the report did not include the sale of tobacco which people roll into cigarettes themselves. The Cancer Society argued that if we include this in the results of the London report, it would reveal that tobacco sales have dropped in Norway since the introduction of the advertising ban in 1975.

In an attempt to further outline the faults of Bill C - 51, the Tobacco Council argued that the bill infringes upon individual rights guaranteed in the Constitution. The Council argued that the bill infringes upon business' right to advertise a legal product. In a free market economy a company must be allowed to advertise in order to be responsible to the shareholders who have invested in the company. This is another example of how the tobacco industry tried to derail the guiding principle behind the bill and turn the debate into a much broader based politically laden one. In this third phase, the Tobacco Council attempted to build coalitions with other organizations as well as attempting to build public opinion against the bill by adopting a media campaign against the bill. Again here one sees how the tobacco lobby was forced to lobby government from the outside, in the public arena, in order to attempt to influence government policy. It is obvious that the elite accommodation

channels of lobbying were inadequate for the tobacco industry would have preferred to keep the tobacco issue of the newspapers. A case built around the "right to advertise a legal product in a free and democratic society" argument is still before the courts and represents the last opportunity for the tobacco lobby to enjoy any success.

In sum, the second phase of the Tobacco industries lobbying strategy where a rational, technocratic and legal defence was utilized entailed the following arguments:

1. A ban on advertising of brand names would have no direct impact upon the number of people who smoke.
2. The bill is a direct violation of the charter of Rights and Freedoms in that it prohibits the right of business to advertise a legal product as well as the right of business to provide information through advertising and the consumer the right to receive it.
3. The legislation will lead to unemployment and other negative consequences on a number of industries related to tobacco advertising such as sporting and cultural events which relied on tobacco company sponsorship to put on events.
4. The bill is discriminatory and faulty for foreign based tobacco companies will still be allowed to advertise in imported magazines sold in Canada.
5. The legislation represents politically inspired unfair regulation and censorship and government intrusion on the private business of individuals who wish to smoke.

As previously mentioned, the tobacco industry began its lobbying campaign utilizing elite accommodation methods of behind the scene lobbying and corporate

suasion. Then the industry moved toward commissioning studies and outlining all the arguments why the bill should not be passed to the government and the public. In response to the failure of these two lobbying techniques and in response to the very media oriented lobbying campaign of the pro C - 51 interest groups, the tobacco industry stepped up its lobbying campaign to include the lobbying techniques representative of the new very competitive and very public decision making system.

Until the passage of the bill, the tobacco industry and anti - smoking forces played the new lobbying game. This new process represents one where Parliamentary institutions are used as a starting gate for a barrage of media and other lobbying techniques aimed at the manipulation of public opinion in favour of a particular issue in order to force the government into having no political option but to support public opinion and taking positive action on that issue. The elements that reflect the erosion of the elite accommodation system may be found with all the elements contained within the successful anti- smoking group's lobbying strategy. all of these lobbying techniques had an enormous impact on the passage of the bill. In brief, pertaining to the Tobacco Council's efforts, some of the events that transpired included:

1. The commission of a gallup poll to illustrate that the public does not support a ban on the sponsorship of amateur sports by tobacco products (see table 6).

Table 6

Here are the questions asked:

'MANY AMATEUR SPORTS IN CANADA REQUIRE SPONSORSHIP OF OUTSIDE COMPANIES IN ORDER TO EXIST.

DO YOU APPROVE OR DISAPPROVE OF SPONSORSHIP OF AMATEUR SPORTS EVENTS BY (MANUFACTURERS OF TOBACCO PRODUCTS/PRODUCERS OF ALCOHOLIC BEVERAGES)?'

National results show:

	<u>TOBACCO MANUFACTURERS</u>		<u>ALCOHOLIC BEVERAGE PRODUCERS</u>	
	<u>1987</u>	<u>1984</u>	<u>1987</u>	<u>1984</u>
Approve	64%	61%	64%	60%
Disapprove	30	33	31	34
Don't know	6	6	5	6

Source: Gallup Canada Inc.
Toronto, August 27, 1987.

2. In response to the anti - smoking lobby's very public media campaign aimed at discrediting the "big bad" tobacco companies, "who were killing people for profit", the tobacco industry surmounted a media campaign of its own. The media campaign was aimed at shifting attention away from the health issue towards the impact C - 51 has upon individual rights, the loss of jobs and damage to sporting and culture events. In order to try and obtain public support for their side the tobacco Council utilized the lobbying technique of advocacy advertising and placed three advertisements in a number of Canadian newspapers (see figure 9, 10, and 11 in the appendix).

3. The Tobacco Council attempted to build a coalition against the bill in order illustrate to government and the public that the tobacco industry is not alone in its opposition to this terrible bill. The coalition included:

1. The Tobacco Council itself.
2. Association of Canadian Advertisers
3. Smokers Freedom Society and other smokers' rights groups.
4. Racing Associates of Canadian Events.
5. Canadian Racing Drivers Association.
6. Tennis Canada.
7. Federation Auto - Quebec
8. Committee of Concerned Tobacco Area Municipalities.
9. Ontario's Flue - Cured Tobacco Growers Marketing Board.
10. National Association of Tobacco and Confectionery Distributors
11. New Brunswick Tobacco Marketing Board.
12. P.E.I. Tobacco Commodity Marketing Board.
13. Bakery, Confectionery and Tobacco Workers International Union.
14. Marketing Board et Office des Producteurs de tabac Jaune du Quebec.

4. The hiring of Bill Neville, one of the most highly regarded lobbyists in Ottawa and the subsequent placement of Mr. Neville as President of The Canadian Tobacco Manufactures Council. This appointment revealed that the tobacco industry was to give top priority to combating C - 51 and that they were convinced that a highly skilled government relations consultant was the proper person to lead the industry.
5. All press releases were designed in such a manner to complement the public lobbying strategy of Mr. Neville in order to help build favorable public opinion.
6. A campaign was organized to have shopkeepers and individual citizens to write M.P's in protest of C -51. In total, 200,000 letters were sent.
7. Retaining the services of Burson - Marsteller, (a public - affairs/public - relations firm) to implement a state of the art public affairs strategy.

The lobbying efforts in favour of Bill C - 51 and against the tobacco industry, revolved around two central groups. The Canadian Cancer Society utilized medical evidence and its professional reputation to expose the health hazards related to tobacco consumption in order to broaden public support for any legislation that would impede the sale of tobacco products. The Non Smokers Rights Association (NSRA) was to build public support for the bill on a grass roots level. This

association lead a very public and very negative campaign against the tobacco industry.

The successful lobbying efforts lead by these two groups and others in favour of Bill C - 51 illustrate quite well, the practical erosion of elite accommodation and the rise of a new system where by groups such as the NSRA were able to participate and enjoy influence in the decision making process. As previously outlined in the thesis, the opening up of Parliament and decision making structures allowed groups such as the NSRA to participate in the policy process. This, in turn gave such groups the media converge, legitimacy and the ability to utilize the media to build coalitions and mould public opinion. It allowed them to amass the organization necessary to lobby effectively in favour of the adoption of the legislation.

The lobbying activities of the pro C - 51 groups represent an excellent example of how to participate effectively in the new "quasi" pluralistic decision making system. As previously argued, the key to exploiting the erosion of the elite accommodation system is: 1. to make the issue public 2. to present your argument to the media and public in a form that they understand 3. to wage a public opinion war with the effective usage of media related lobbying techniques, and 4. to utilize your media coverage and public support to politicize a technocratic bill into an "issue" and force the government into a corner.

In brief, the pro Bill C - 51 forces accomplished this task with the utilization of the following lobbying techniques:

1. Coalition building including:

1. The Non Smokers Rights Association
2. Canadian Cancer Society
3. The Canadian Council on Smoking and Health.
4. Physicians For A Smoke Free Society.
5. The Canadian Medical Association.
6. Other medical related professional associations and groups.
7. A large number of diverse anti - smoking groups from across Canada.

2. A well organised lobbying campaign which in addition to appearing before government bodies, included the "public" lobbying strategy of developing public support through an effective usage of the media. Subsequently, press releases, and P.R. stunts centred upon not the bill itself but other issues that attracted greater media attention. In a successful bid to move public and government debate away from the substance of the bill the pro C - 51 forces centred their media campaign upon: 1. The negative health consequences of smoking, 2. The political and financial influence of the tobacco industry, and 3. Advertisements which suggested the tobacco industry was lying and misleading the public. Examples of this usage of the media follow.

3. On January 25, 1988 an ad in the Globe and Mail with a photo of P.M. Brian Mulroney and Tobacco Council Lobbyist Bill Neville with a headline stating: **HOW MANY CANADIANS WILL DIE FROM TOBACCO INDUSTRY PRODUCTS MAY BE IN THE HANDS OF THESE FEW MEN.**³ The advertisement tied a link between Mulroney and Neville who is an important Progressive Conservative who in addition to being a personal friend of the P.M., aided in the organization of the PMO in 1984. This advertisement helped to politicize the issue and to increase the salience of public opinion against the tobacco industry in broad terms not related to the specific merits of the bill.

4. The NSRA created an association called Relatives of Dead and Dying Smokers in order to "attach an air of criminality to tobacco industry executives and their dishonest, callous marketing practices."⁴ Again, the campaign was aimed to politicising the issue and to manipulate public opinion against the tobacco industry and not the specific bill at issue.

5. In order to provide for a well rounded case against cigarette sales, a gallop poll completed for The Canadian Cancer Society indicated that 77.5 % of Canadians supported the April 1, 1989 forty cent tax increase on a package of cigarettes as part of a comprehensive approach to tobacco control.⁵

6. One on one lobbying which lead to a firm commitment of then National Health and Welfare Minister Jake Epp to become fully committed to seeing the bill pass through Parliament unaltered. The NSRA appealed to EPP's sense of decency as the son of a minister to become ethically responsible and help to stop deaths and suffering caused by cigarette smoking.

7. A massive phone call and petition campaign directed towards M.P.'s

8. The NSRA gathered extensive evidence that tobacco advertisements breached the Canadian code of advertising standards prohibition of ads which "depict situations which might encourage unsafe or dangerous practices". Then the NSRA and Canadian Cancer Society and their allies held a news conference and published attention getting full page advocacy ads. The headline of one ad stated: **NEWSPAPERS AND THE ADVERTISING CODE: CASH OR CONSCIENCE.** The text then began, "Here is one story that Canadian publishers would rather not discuss."⁶

9. Effective media relations which explored the tobacco industry's well financed and obviously one sided lobbying campaign lead to headlines like: **WILL TOBACCO INDUSTRY DECEPTION OUT MUSCLE PARLIAMENT.**

10. Another "public" lobbying technique which dwelled upon politicising the issue in simplistic terms included The Canadian Cancer Society mailing of thousands of black bordered postcards to M.P.'s " in memory of the 35,000 who die annually from smoking related illness."

11. Again, in an attempt to overshoot formal decision making structures and win over public sentiment, a two page advertisement was placed in Maclean's magazine outlining the tobacco industry violations of the advertising code. The ad stated that more than 300,000 Canadians have died from tobacco in the 15 years since the code was adopted, and that by the end of 1988, "the federal government sits in legislative silence."⁷

12. Another advertisement with a photo of a man with one leg amputated boldly displayed the headline: GANGRENE AND TOBACCO, with the caption "Gangrene is just one of the results of the government's failure to regulate the tobacco industry."⁸

13. In the area of coalition building, in response to the Tobacco Council's claim that C- 51 would hurt cultural and sporting activities in Canada, the NSRA enlisted 250 artists to come out against tobacco sponsorship of their activities.

14. Applying direct political pressure outside the formal decision making structures of government, in response to an anti C - 51 M.P.'s criticism of the bill, the NSRA, Canadian Council on Smoking and Health and Physicians for a smoke free Canada sent a flyer to all his constituents accusing the M.P. in question of a conflict of interest between his pocketbook and the lives of his constituents and their children as he was also a tobacco wholesaler.

15. The Gallup poll (table 7) featured on the following page, was commissioned in order to determine the level of public support for the banning of all advertising for cigarettes. The results indicate a majority of support in favour of this provision.

As demonstrated, the case of the tobacco industry and Bill C - 51 provides an excellent example of how the traditional elite accommodation system of decision making has been eroded and altered by newly formed public interest groups and their usage of Parliament and other political and media devices to participate effectively in the decision making process. Especially interesting is the attempt to build public opinion with effective media management and other media oriented lobbying activities. Regardless of how well prepared the tobacco industry was to combat Bill C - 51, their financial resources, political clout and access to decision makers was not enough to prevent the passage of a bill which severely restricts and prohibits the advertising of tobacco products.

The questions asked were:

Table 7

'DO YOU THINK ALL ADVERTISING FOR CIGARETTES SHOULD BE BANNED OR NOT?'

'WHAT ABOUT ALL ADVERTISING FOR LIQUOR - DO YOU THINK IT SHOULD BE BANNED OR NOT?'

Source: Gallup Canada Inc.
Toronto, May 25, 1987.

	<u>SHOULD BE BANNED</u>	<u>SHOULD NOT BE BANNED</u>	<u>UNDECIDED</u>
<u>FOR CIGARETTES:</u>			
NATIONAL - 1986	58%	35%	7%
- 1976	56	34	9
- 1971	50	40	10
<u>Age - Today:</u>			
18 to 29 years	55	36	9
30 to 49 years	59	33	8
50 years and over	59	36	5
<u>Smoke Cigarettes - Today:</u>			
Yes	46	47	8
No	63	28	7

The Bill C - 51 case demonstrates that the most important variable in the erosion of elite accommodation and the creation of a new quasi pluralistic policy process, is the new found ability of lobbyists to utilize parliamentary institutions as a platform to put in place a multitude of modern and "public" lobbying techniques which draw media and public attention to particular bill in question. As the example of Bill C - 51 illustrated, effective lobbying in the new system often revolves around effective media management. Given government's recent obsession with public opinion polling and attempting to govern by consistently being on the right side of public opinion, the attempt to influence public opinion in support of one side of an issue is of paramount importance to the new system of decision making that has arisen. The President of the Tobacco Council, Bill Neville, after the long drawn out battle against Bill C - 51 stated: "Clearly of the successes of the anti - tobacco lobby was to make this appear to be a health issue, and when that happens that is a difficult area for the industry."⁹ The tobacco industry was unable to combat this powerful manipulation of public opinion which was to make it political suicide for the government to not pass the bill.

Within this new decision making environment, if an interest group or lobbyist is able to succeed in politicizing an issue, this will allow the decision making process to develop into a much more competitive quasi pluralistic one where many diverse interest groups may compete to win over public opinion and the favour of government. With the case of Bill C - 51, the anti - tobacco groups built up public

opinion in favour of the bill to such an intense level by equating the tobacco industry as deceptive, manipulative murders who are only interested in profit. They utilized the media to turn the bill into a health issue when in reality it was not only a health issue. With such a lobbying strategy they were able to have an impact upon cabinet and the hub of decision making in order to insure that the bill was passed intact.

Chapter VIII: Conclusion

Reforms in decision making structures have taken two contradictory forms. The opening up of Parliament and government bodies to interest group participation has been matched by the consolidation of decision making power in the Cabinet, PMO, and PCO. The consolidation of decision making power in these bodies is a response to a loss of political control over the policy process. The government has sought to encourage participation in the policy process, while at the same time, the government has implemented measures to limit the influence of such participation, and reserve the power to make final policy decisions. A bifurcation between access and power has developed. The policy process encourages participation, but limits the systemic power of the participants. Thompson and Stanbury outline this development clearly:

The Trudeau government has sought both to reassert the authority of the political executive over the administrative arm and to open the legislative process to wider group representation. Under the current regime, departments retain responsibility for the initiation of policy proposals. However, these proposals are increasingly subject to the scrutiny of the central advisory agencies, that is P.M.O., P.C.O. and T.B.¹

Subsequently, interest groups have worked to develop new methods of lobbying with respect to both these domains. The combined impact of the insularity of the Privy Council Office and the need for agencies and their associated interest groups to compete for scarce resources through open structures has forced institutional groups into the public arena and increased the public awareness of their activities.

As the Bill C-51 case has demonstrated, one popular tactic has been to use participation at the parliamentary stage as a starting point for a barrage of publicity tactics aimed at obtaining public support to politically force the government into preferable action. Pross agrees that "problems in obtaining access or a failure to influence decision makers are the chief factors encouraging pressure groups to find alternative access points to the decision making system and to "go public."²

With respect to the civil service, bureaucrats are increasingly being managed by lobbyists in order to obtain both information and hopefully the support of a civil servant to be utilized by the lobbyist in a political manipulation of the larger policy process.

A new lobbyist in Ottawa specializing in petroleum will go to lunch with people in the department of energy, mines and resources, do his homework and become a familiar face, then do the same in the environment department, and any other with an interest. He will inevitably pick up an amazing amount of information about goings on inside government and begin trading his information with public servants.³

The proliferation of lobbying activity has led to a new decision making environment where all groups in society compete rigorously in a political system which is increasingly sensitive to interest group pressure. Indeed this new type of lobbying has eroded the currently dated system of elite accommodation. Even though

the rich and the powerful are still most likely to be heard and have influence, they are less likely to have their own way than they were say in C. D. Howe's day.⁴ Lobbying has become a very complicated game consisting of the utilization of technocratic expertise, financial and human resources, personal contacts, political manoeuvring, media management, publicity stunts, the manipulation of public opinion and coalition building in an attempt to manage the political process and influence public policy. Lobbying has evolved into an art and science of manipulation where once institutional approaches fail, public opinion is manipulated by lobbyists in very public lobbying strategies in an attempt to bypass the party system and coerce governments into political action.

In reference to the hypothesis put forward in this paper, the evidence provided demonstrates that: 1. We have witnessed an erosion of the traditional elite accommodation system of decision making. In particular there has been an erosion of the ability of economic elites to utilize their financial and political clout to maintain a "behind closed doors" authoritative influence over public policy. 2. A new "quasi pluralistic" system has emerged to replace the traditional system. This new system, still containing traces of elite accommodation, is a unique blend of elitism, corporatism and pluralism. This process has mixed our political system and political institutions with the development of interest group activity to form a very competitive and uncertain decision making environment.

The thesis has revealed that a number of governmental reforms ranging from the civil service to Parliament and to the broader political process, have opened up the decision making process. At the same time, a number of other reforms such as the consolidation of decision making power in the PMO and Cabinet, have restricted the impact of the new participatory policy process. The end result of these changes has been an erosion of many elements found in the traditional elite accommodation system, in favour of a new system where Lobbyists attempt to utilise their new found access to Parliament, the civil service and the media in order to bypass the restricting elements of the elite accommodation system which still limit their influence (ie. the consolidation of power in the PMO PCO and Cabinet). Then the lobbyists will relay heavily on extra - Parliamentary devises such as "public route" lobbying strategies in order to publicise and politicise issues,which will help to build coalitions and alter public opinion. This will then be managed in such a manner limit the influence of other lobbyists who enjoy influence at the executive level and to apply political pressure on the government.

The Bill C-51 case study has revealed that interest groups and other lobbyists have utilized these reforms as a stage in which to surmount media or "public route" lobbying campaigns. This new political process, where the manipulation of public opinion is a crucial factor, hardly existed in Canada some 30 years ago. In addition to outlining reforms in government decision making structures, the Bill C-51 case has illustrated how public interest groups have been able to utilize these reforms to

create anew broader and more competitive system where they have been more able than they previously had been to demonstrate political clout and influence over public policy.

In conclusion, the elements allowing an erosion of elite accommodation to take place may be attributed to:

1. Bennett's New Deal legislation and the subsequent legitimacy it gave to trade unions and other groups to participate in the public policy process.
2. The reforms in administrative and parliamentary decision making structures which allowed for increased public participation in the public policy process.
3. Evolutionary alterations in the structure of the political executive and larger political environment.
4. The increase in civic awareness and education among the public at large which spawned the interest group phenomena.
5. New media technology which aided in the development of a new political decision making process.

6. The trend of sensitive government reaction to public opinion polls and the influence this has upon decision making.

Ken Bryden concludes that parliamentary reforms have indeed had an impact on public participation in the policy process:

Parliamentary reform has in fact expanded the opportunity for the elected representative to play a part in the policy process. There are more opportunities for citizens to make an input than there used to be. At least some previously excluded groups are being heard and having some effect on policy. The public service is coming to reflect better the composition of the society it serves. All these changes together have opened up the policy process to a degree that can be fully appreciated only if one compares the present situation with the tight bureaucratic control of the 1950s.⁵

It is evident that interest group and lobbying activity is the variable which best explains why both governmental structures and the decision making process has been altered. The Federal government itself is aware of this, and is concerned over the implications these and other future changes will have upon the questions of Political responsibility, accountability and the greater public interest. A government discussion paper on "Decontrol and Post - Control Issues" of may 1977 illustrates this concern clearly:

Governments can encourage an open discussion of the real dimensions of our economic situation and help to provide the information needed by the participants in the economy if they are to understand the impact of their actions. Governments must also be prepared to address specific situations where it is clear that in making price and income

decisions, some of the wider social and economic implications are being ignored. But if we are to avoid much more direct government intervention on a regular basis in all spheres of economic activity, individuals and groups must share the wider responsibility for their actions. The government, in proposing the consultation process is endeavouring to assist the development of this sharing of responsibility.⁶

Most Canadian political scientists will agree that an increase in public influence and participation in the decision making process is an issue that must be addressed by government. Nonetheless, many of the steps taken to reform Parliamentary and Bureaucratic structures to date have in effect only aggravated the situation. The failure of Executive Federalism in the Meech Lake Constitutional negotiation, and the public's feeling of being ignored by this process illustrates this reality. The government's creation of the Citizen's Forum on Constitutional Reform indicates that the government is attempting to give those who feel helpless in the face of government an opportunity to participate in the process. However, like other government initiatives of this kind, it remains to be seen if this process will have a direct impact upon final decisions taken by government.

Given the present level of average citizen cynicism and distrust of government brought about by the traditional political process, the proliferation of interest groups indicates that logically, lobbyists and Interest groups must be able to participate on grounds similar to how the present political process allows political parties to do. Their participation must be integrated into the political system in a legitimate and

institutional fashion. Only in this manner can they be forced to act in a manner somewhat accountable to the public and the greater "public good". Never the less, unless they are made a structural part of government, interest groups and lobbyists are not directly accountable to the public at large. Only governments are elected by the people and ultimately responsible to the citizenry. For this reason mechanisms must be retained in order to insure that the government of the day has the final decision in matters of public policy.

Seymour Wilson⁷ suggests that the possibly of the usage of white papers and tripartite consultation might be the answer to the interest group dilemma. Wilson states that this would "take the heat off" the political executive and would allow issues to be aired out in public allowing the government to gage public support for particular issues. This is an excellent idea but it does not adequately take into consideration the damage interest groups can have on responsible public policy with a manipulation of public opinion on issues which they wish to develop in a manner favourable only to their particular situation in society.

In addition, what happens to platforms, agendas, party discipline and political ideology when governments are not expected to be committed to any issues? This solution, as with others of the Jeffersonian kind, do not adequately come to terms with the eventual loss of political control and a loss of a sense of community and leadership which is associated with interest group politics. This type of governing is

worse than governing by opinion polls because the public is constantly reminded by the different opinions of interest groups as they decide if they will support a particular policy or not. Government by such means will lead to the development of all the inadequacies of interest group liberalism as described by Lowi. How will the public differentiate between political parties if once elected they junk any platform they had and choose to implement only popular public policy? In this scenario, the "public interest" which arises is not really the public interest at all. It is that public interest of which interest groups can operate from within, ie the issues brought to bear on the government were placed there by the strongest interest groups. For example, within such a system increasing taxation on the wealthy would not be defined as in the public interest because it never becomes a public issue. Hugh Faulkner agrees that the creation of interest group politics is having a enormous impact upon the decision making structure and process of Canadian government. The dilemma we face is outlined by Faulkner:

The resulting challenge facing the executive is one of managing the demand for access from these interests and of adjudicating between them with equity, fairness, and an eye toward the general good and not simply the particular interest, so that the system itself remains a credible instrument for making political choices. This must be accomplished without overloading the system or unnecessarily delaying decision making.⁸

As this quotation reveals, Faulkner's concerns are very similar to Lowi's. Elected officials must be able to retain control and find a way to accommodate interest

groups, while at the same time never lose sight of their electoral platform and the "public interest". A danger exists in that the political power of interest groups and their manipulation of public opinion will continue to develop to such a great extent that it will be political suicide for any responsible politician to in effect, do what is in the public interest or best for the country. Indeed a crisis is pending. Further research may soon be required in order to devise a political system which can better achieve the goals of public input and public interest simultaneously and harmoniously. In the United States it seems that Lowi's work of the late 1960s was ahead of its time. The October 23, 1989 issue of Time magazine contained a cover with a picture of George Washington crying with a caption reading "Is Government Dead?". Let us hope that we can learn a lesson from American history. If the study of public administration represents an attempt to reconcile some definition of "democracy" with the efficient allocation of resources then we are faced with re-addressing an issue of the first order. We must come to terms with the classical dilemma of minority rights vs. majority rule and its modern form of special interests vs. the public good. We might indeed have plenty to learn from the Americans, whom after all, upon designing a system of government that would accommodate interests like no other before have been grappling with the issue for the past 200 years.

It is in vain to say, that enlightened statesmen will be able to adjust these clashing interests, and render them all subservient to the public good. Enlightened statesmen will not always beat the helm; nor, in many cases, can such an adjustment be made at all, without taking into view direct immediate interest which one party may find in disregarding the rights of another, or the good of the whole. The inference to which we are brought is, that the causes of faction cannot be removed; and that relief is only to be sought in the means of controlling its effects.⁹

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Name of Company, Organization or Individual	Figure 1 Continued	Number Allotted to Brief	Date of Hearing
Denison Mines Ltd.		297	June 23/70
Dominion Foundries and Steel Limited		185	May 6/70
Electronic Industries Association of Canada		91	June 4/70
Elgistan Management Limited and associated companies		83	April 8/70
Great Canadian Oil Sands Limited		290	June 16/70
Gulf Oil Canada Limited		95	May 6/70
Hart, G. Arnold		98	June 11/70
Hollinger Mines Limited		104	April 29/70
Hudson's Bay Oil and Gas Company Limited		124	May 28/70
Imperial Oil Limited		82	April 8/70
Independent Petroleum Association of Canada		255	June 23/70
Insurance Bureau of Canada		130	June 18/70
International Nickel Company of Canada Limited, The		235	June 17/70
International Utilities Corporation		237	May 28/70
Investment Dealers' Association of Canada		199	June 3/70
Investors' Group		10	March 4/70
Investors Group Trust Co. Ltd.		177	June 10/70
Jackman, Harry, Q.C.		—	April 9/70
John Labatt Limited		38	April 16/70
King Resources Company and its Canadian Employees		127	May 28/70
Law Society of Upper Canada, The		68	April 16/70
League of Concerned Canadians, The		97	May 21/70
Liberian Iron Ore Limited		64	April 22/70
Loram Limited		234	June 23/70
McIntyre Porcupine Mines Limited		116	April 22/70
Maple Leaf Gardens, Limited		90	April 15/70
Markborough Properties Limited		65	April 30/70
Maritime Electric Company, Limited		30	March 11/70
Massey-Ferguson Limited		62	May 21/70
McLaughlin, May, Soward, Morden & Bales		25	April 16/70
Mercer, Wm. M. Ltd.		26	April 8/70
Mercer, Wm. M. Ltd. (endorsed by interested companies)		26 a	April 8/70
Mining Association of Canada, The		273	June 18/70
Molson Industries Limited		211	May 20/70
Montreal Kiwanis Club Inc.		212	May 21/70
Montreal Museum of Fine Arts		87	May 13/70
National Association of Canadian Credit Unions, The		189	May 20/70
National Association of Tobacco & Confectionary distributors		67	June 24/70
National Foreign Trade Council		161	June 3/70
National Sea Products Limited		147	May 20/70
Newfoundland Light & Power Co. Limited		31	March 11/70
Noiseux, Lyonnais, Gascon, Bedard, Lussier, Senecal & Associés		46	May 13/70
Noranda Mines Limited		1	Jan. 29/70
Nova Scotia Fruit Growers' Association		75	May 14/70
Nova Scotia Light and Power Company Limited		6	March 11/70
Peachey, Edmund H. (on behalf of interested companies)		206	May 13/70
Pension Fund Society of the Bank of Montreal		71	June 10/70
Prince George Chamber of Commerce, The		137	April 15/70
Retail Council of Canada		59	April 16/70
James Richardson & Sons Ltd.		125	May 7/70
Rio Tinto-Zinc Corporation Limited, The		197	June 4/70
Royal Architectural Institute of Canada, The		99	April 8/70
Royal College of Physicians & Surgeons of Canada		261	May 14/70
St. John's Cemetery on the Humber		11	April 15/70
Shell Canada Limited		142	April 22/70
Steel Company of Canada Limited		181	May 6/70

Source: Government of Canada. Standing Committee on Finance, Trade and Economic Affairs, Proceedings, House of Commons, Second Session, 28th Parliament, Ottawa, 1970.

Figure 1 Continued

Name of Company, Organization or Individual	Number Allotted to Brief	Date of Hearing
Steel Industry—Joint Presentation	182	May 6/70
Sun Oil Company Limited	289	June 16/70
Syncrude Canada Ltd.	35	April 29/70
Texaco Canada Limited	193	June 10/70
Toronto Real Estate Board .. .	77	June 24/70
Toronto Stock Exchange	267	June 23/70
TransCanada Pipelines Limited	203	June 17/70
Trizec Corporation Ltd.	208	May 14/70
Trust Companies Association of Canada	269	June 24/70
Union Carbide Canada Limited	284	May 20/70
Union Carbide Corporation	175	June 3/70
Vancouver Board of Trade .. .	5	June 11/70
Ward-Price Limited	—	May 6/70

Total for schedule 'A'—118 briefs.

Source: Government of Canada. Standing Committee on Finance,
Trade and Economic Affairs, Proceedings, House of Commons,
Second Session, 28th Parliament, Ottawa, 1970.

Figure 2

APPENDIX B

Briefs

Abitibi Paper Company Ltd.
 Alberta Federation of Labour
 The Alberta Gas Trunk Line Company Limited
 Alberta New Democratic Party
 Allen, Nelson
 Andrewes, Peter J.
 Archer, Anthony M.
 Argus Corporation Limited
 Armstrong, Donald E.
 Asper, I. H.
 Associated Grocers Limited and Alberta Grocers Wholesale Ltd
 Association of Canadian Venture Capital Companies
 Atlantic Provinces Economic Council

Bank of British Columbia
 The Bank of Nova Scotia
 Bell Canada
 Berg, K.
 Berman, Joseph
 Bertrand, Robert J., Director of Investigation and Research, Combines Investigation
 Act, Department of Consumer and Corporate Affairs
 Better Business Bureau of Canada
 Blachford, H. L.
 Bouvier, P. Émile
 Bradfield, Michael
 Bruscan Limited
 Broadbent, J. Edward (M.P.), Leader of the New Democratic Party
 Burchill, C. S.

CAE Industries Ltd.
 Calgary Chamber of Commerce
 Canada Cement Lafarge Ltd.
 Canadian Association of Social Workers

Source: Government of Canada. Report of The Royal Commission
 On Corporate Concentration, Parliament of Canada, April, 1976.

Figure 2 Continued

The Canadian Bankers' Association	Fourrier, Pierre
The Canadian Chamber of Commerce	Franklin, John
The Canadian Chemical Producers' Association	Federation Chamber of Commerce
Canadian Corporate Management Company Limited	Gardner, Philip L.
The Canadian Council on Social Development	Gemstar Limited
Canadian Export Association	Grandy, J. F.
Canadian Fertilizer Institute	Great Canadian Oil Sands Limited
Canadian Imperial Bank of Commerce	The Great-West Life Assurance Company
Canadian Industries Limited	Green, Jerry
Canadian Institute of Public Real Estate Companies	Grover, O. W.
The Canadian Life Insurance Association	Gutstein, Donald, and Henderson, William
The Canadian Manufacturers' Association	Hahlo, H. R.
Canadian Pacific Limited	Haltifax Board of Trade
Canadian Pulp and Paper Association	Hartle, Douglas G.
Cantile, Ronald B.	Harvie, Donald
Capon, Frank	Haskell, H. John
Carniol, Ben	Heisey, Alan
Caves, Richard E.	Hicks, Alan
Centrale des Syndicats Démocratiques	Hovsepian, John
Charlottetown Chamber of Commerce	Hudson's Bay Oil and Gas Company Limited
Chodlos, Robert	Huntington, Ron (M.P.)
Christian Labour Association of Canada and C.J.L. Foundation	Inasco Limited
Christie, R. E.	Imperial Oil Limited
Committee for an Independent Canada	Indal Limited
Communist Party of Canada	Independent Gasoline Retailers Group of Manitoba
Communist Party of Canada, Northwestern Ontario Branch	Investment Dealers Association of Canada
Community Planning Association of Canada, Newfoundland Division	The Investors Group
Conseil du Patronat du Québec	Jannock Corporation Limited
Consolidated-Bathurst Limited	King, E. W.
Consumers' Association of Canada	Kudelka, John
Cooperative Union of Canada	John Labatt Limited
Corporate Research Group	Laurentide Financial Corporation Ltd.
The Council of Canadian Filmmakers	Leighon, David S. R.
Crow, Stanley	Leshchynski, Bob
Cubberley, David J., and Keyes, John	The Life Underwriters Association of Canada
Dipiccono, Gordon	Locke, W. F.
Duhic, John C.	The London Chamber of Commerce
Dumtar Limited	The Loram Group of Companies
Downtown Action	Lorimer, James
Du Pont of Canada Limited	MacMillan Bloedel Limited
Duff, Huntly	Maher, E. D.
Edmonton, City of	Malcolm, D., Dereva, E. L., Hambling, S.
Edmonton Chamber of Commerce	
Elliott, G. Clarence	
Energy Probe	
Famous Players Limited	
Formula Growth Limited	
Forster, Victor W.	

Source: Government of Canada. Report of The Royal Commission on Corporate Concentration, Parliament of Canada, April, 1976.

Marchant, C. K.	Saint-Pierre, Jacques
McCain Foods Limited	Sales, Arnaud
McLeod, William E.	Scherer, F. M.
Medwin, Bernard	Shell Canada Limited
Merrill, Wilson E.	Sinclair, George
Miller, Danny	Smith, Dorothy E.
Mokelbost, Per B.	Sopha, Elmer
The Molson Companies Limited	Steel Company of Canada, Limited
Moussally, Serge H. F.	Sudbury Mine, Mill & Smelter Workers' Union, Local 598
Mucna, Kenneth	Systems Dimensions Limited
Narver, John C.	Tobusjac Fishermen's Association
National Association of Independent Building Materials' Distributors	Taskforce on the Churches and Corporate Responsibility
National Association of Tobacco Confectionery Distributors	Tasso, André J.
National Farmers Union, District 1, Region 1 (P.E.I.)	Thermex Manufacturing Limited
Neave, Edwin H.	Thompson, Gordon L.
New Democratic Party, Office of the Leader, Nova Scotia	Thorne, R. K.
Newfoundland and Labrador Federation of Municipalities	Thunder Bay Chamber of Commerce
Nickerson, Dave	The Toronto-Dominion Bank
Norcen Energy Resources Limited	The Toronto Society of Financial Analysts
Northern Electric Company, Limited	TransCanada Pipelines Limited
Ontario, Government of	Trebilcock, Michael J.
Ontario Anti-Poverty Organization, Thunder Bay Branch	Twats, William O.
The Ontario Milk Marketing Board	United Church of Canada
The Ottawa Board of Trade	United Electrical, Radio and Machine Workers of America
Parr, Philip C.	United Steelworkers of America
Patton, Donald J.	Wahn, Ian G.
Pelletier, Judy	Warnock Itersy International Limited
Placer Development Limited	Watwick, Donald P., and Craig, John G.
Pullock, Ian F.	George Weston Limited
Porter I and I Ltd	Winstock, Samuel
Power Corporation of Canada, Limited	The Winnipeg Supply & Fuel Company, Limited
Putley, H. L.	Winter, John R.
Redpath Industries Limited	Wrigley, Leonard
Reed Paper Ltd	Yellowknife Chamber of Commerce
Richard, J. G.	
Robertson, Struan	
Robinson, A.	
Robinson, H. Lukin	
Rothmans of Pall Mall Canada Limited	
The Royal Bank of Canada	
Rubin, Ken	
Rugh Russel Limited	
SNC Enterprises Limited	
St. John's Orlan Committee	

Figure 2 Continued

Source: Government of Canada. Report of The Royal Commission on Corporate Concentration, Parliament of Canada, April, 1976.

Rip-off...? Nonsense!



J. A. Armstrong, Chairman Imperial Oil Limited

The allegation of a consumer rip-off will not stand up to an impartial inquiry. In fact, strong competition has helped keep Canadian prices low.

Imperial Oil is certain that it has not broken the law or in any sense been involved with other companies to fix prices.

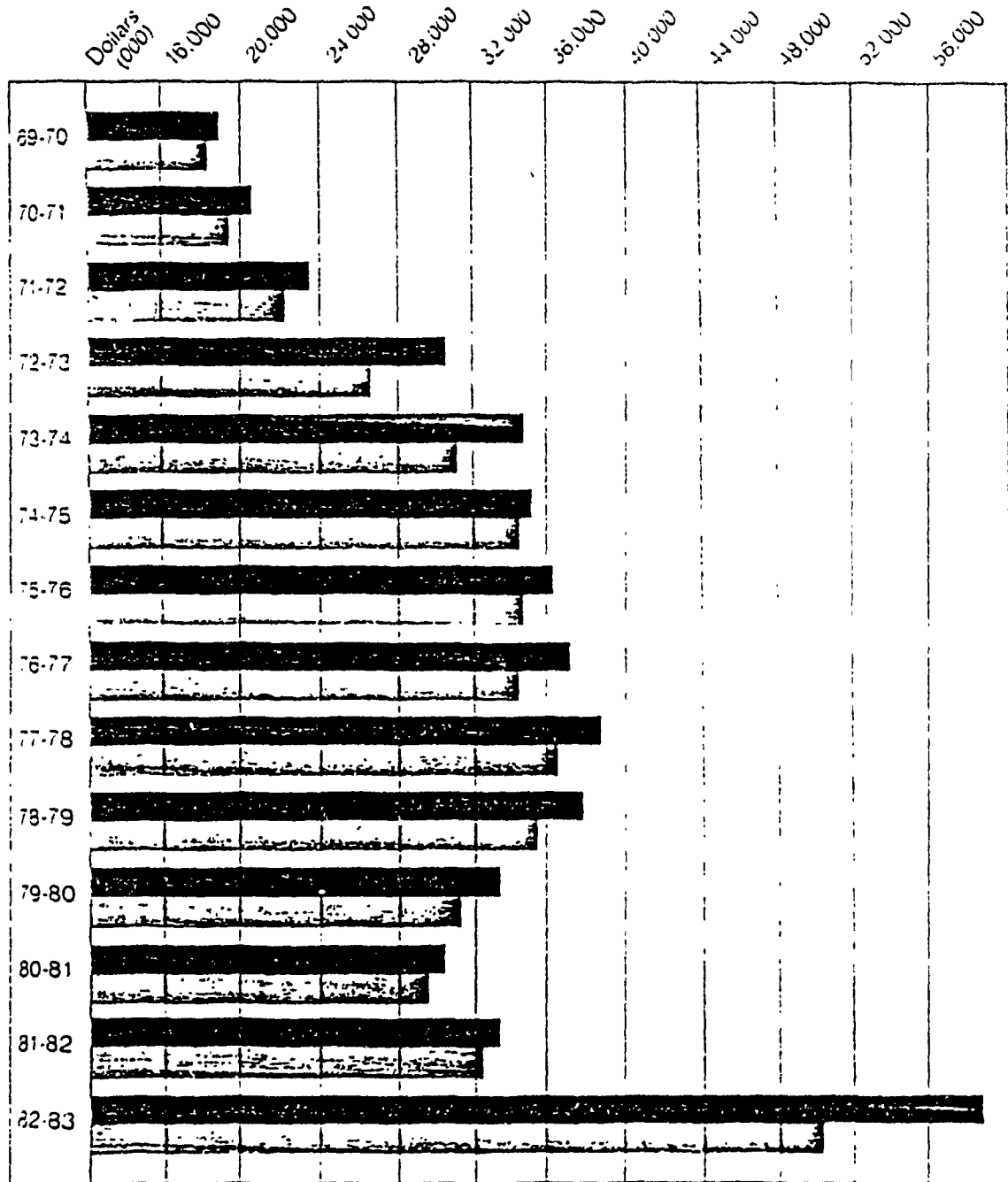
16,000 people at Imperial Oil take pride in the confidence that Canadians have placed in us over the past one hundred years. We will not betray that confidence"



A handwritten signature in cursive script, which appears to read "J. Armstrong".

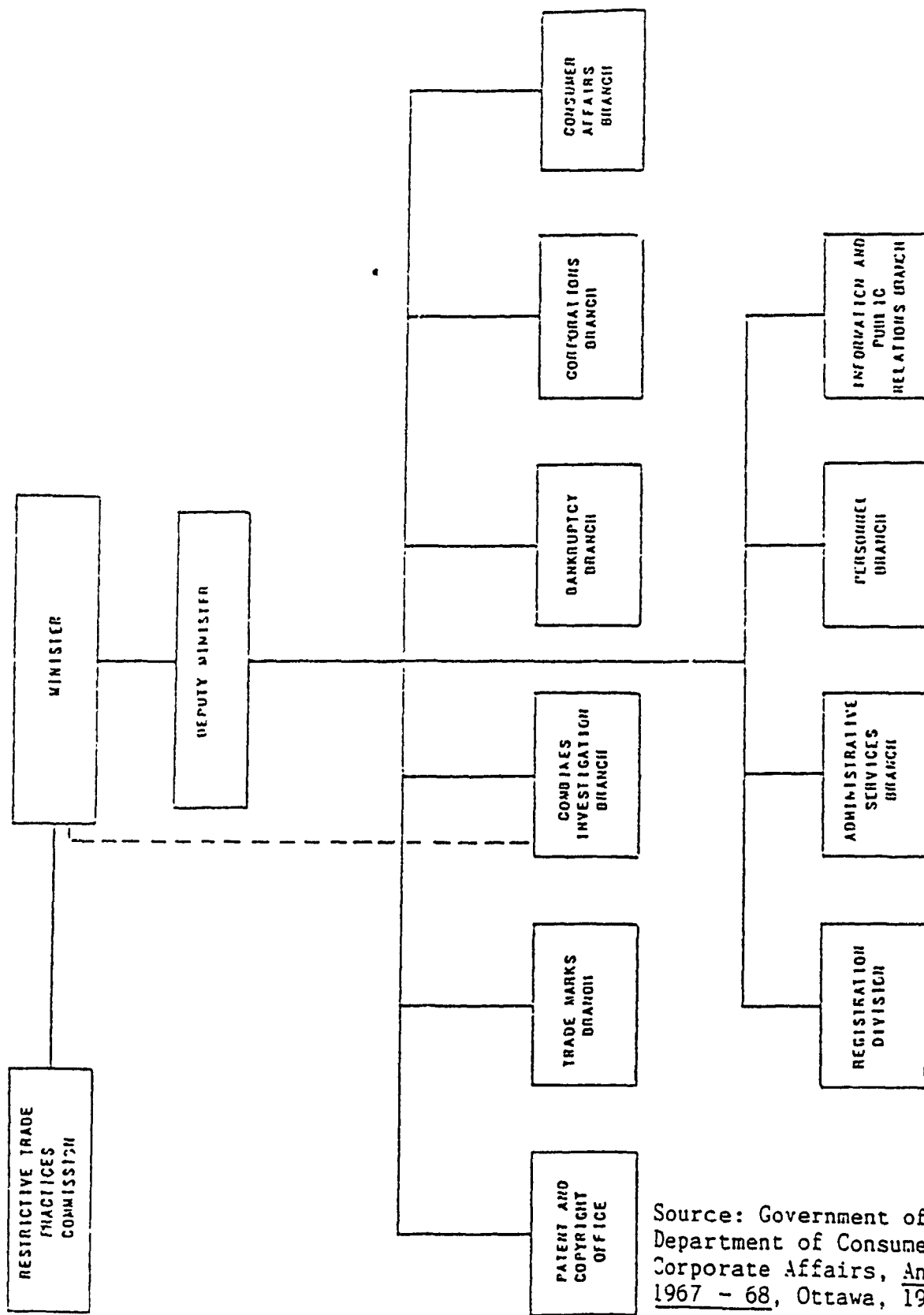
Source: Stanbury, W. T. Business - Government Relations in Canada. Toronto, Methuen, 1986. p. 590.

Departmental Appropriations and Expenditures
1969-70 to 1982-83 in constant 1971 dollars



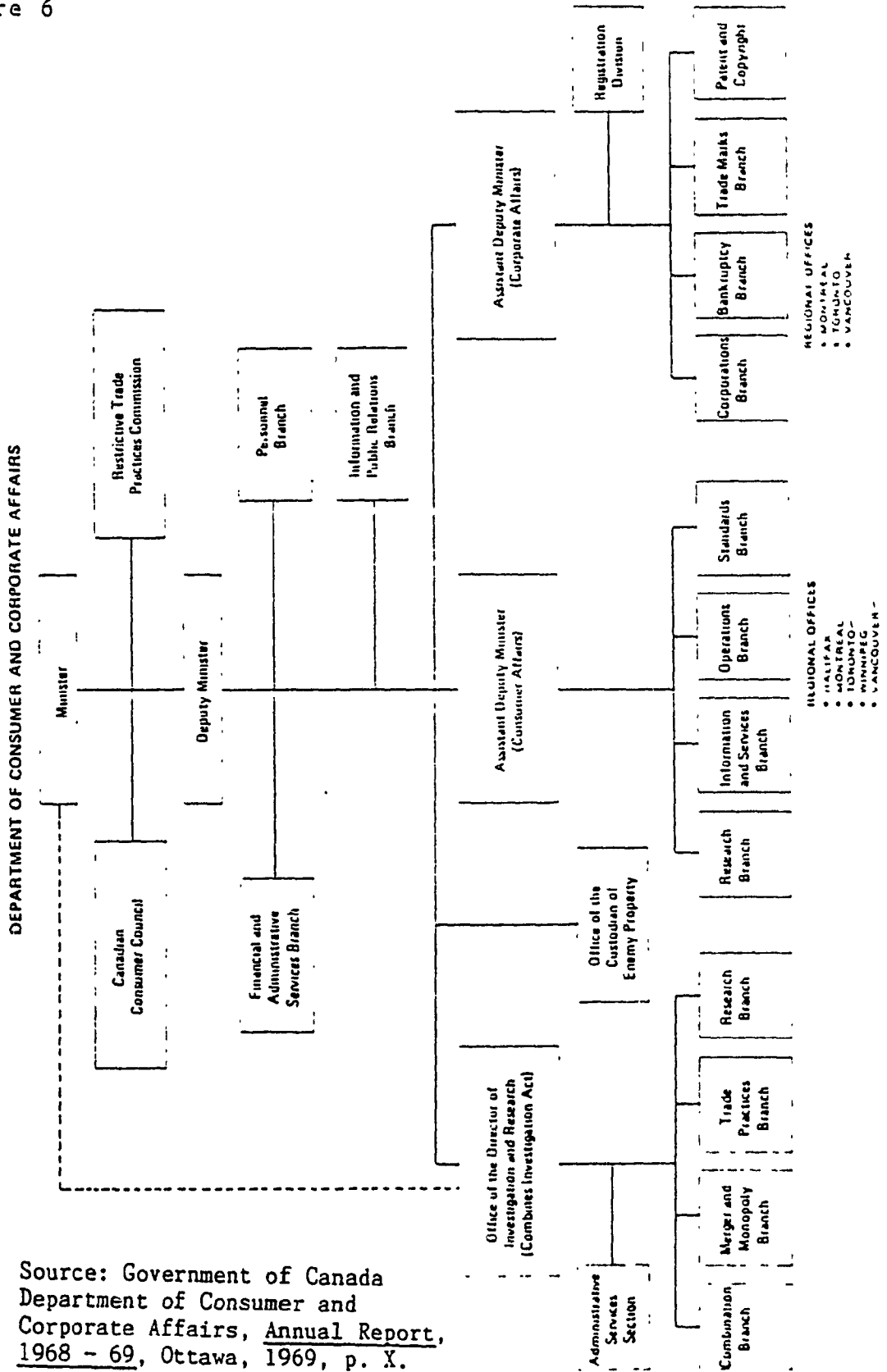
Source: Government of Canada. Department of Consumer and Corporate Affairs, Annual Report Ottawa, 1983, p. 40.

Figure 5



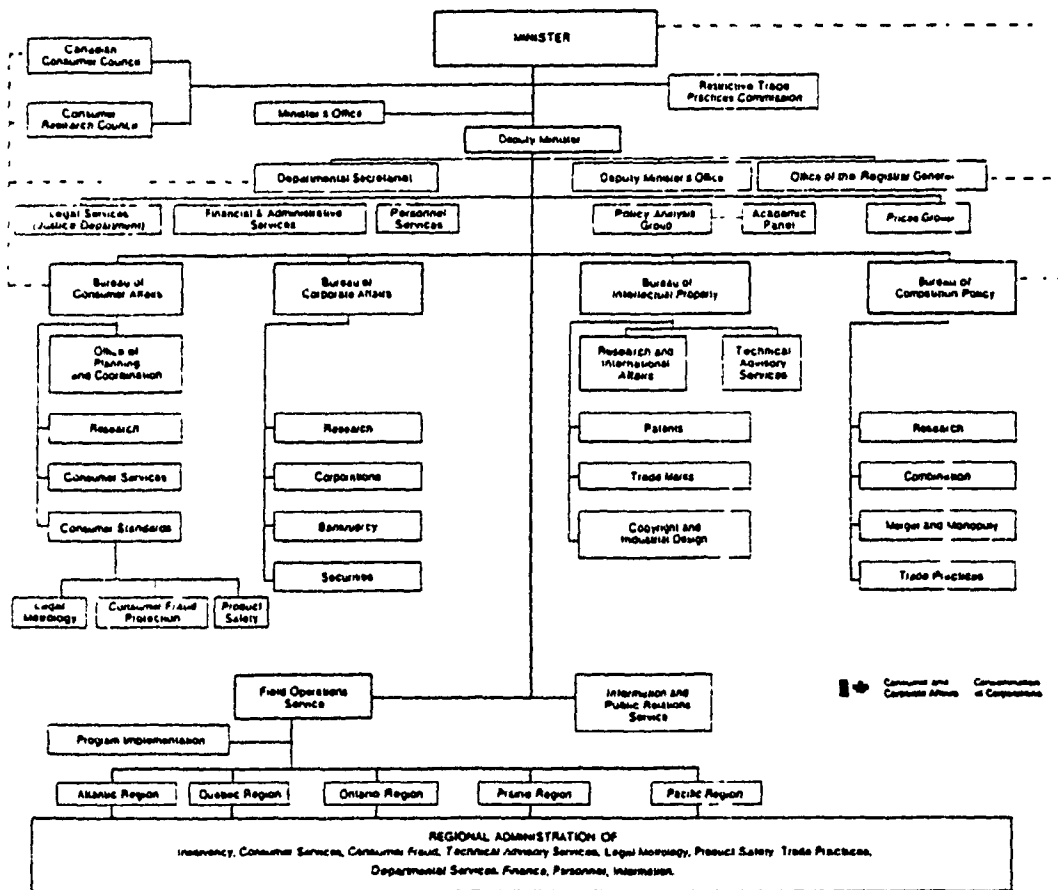
Source: Government of Canada, Department of Consumer and Corporate Affairs, Annual Report 1967 - 68, Ottawa, 1968, p. 3.

Figure 6



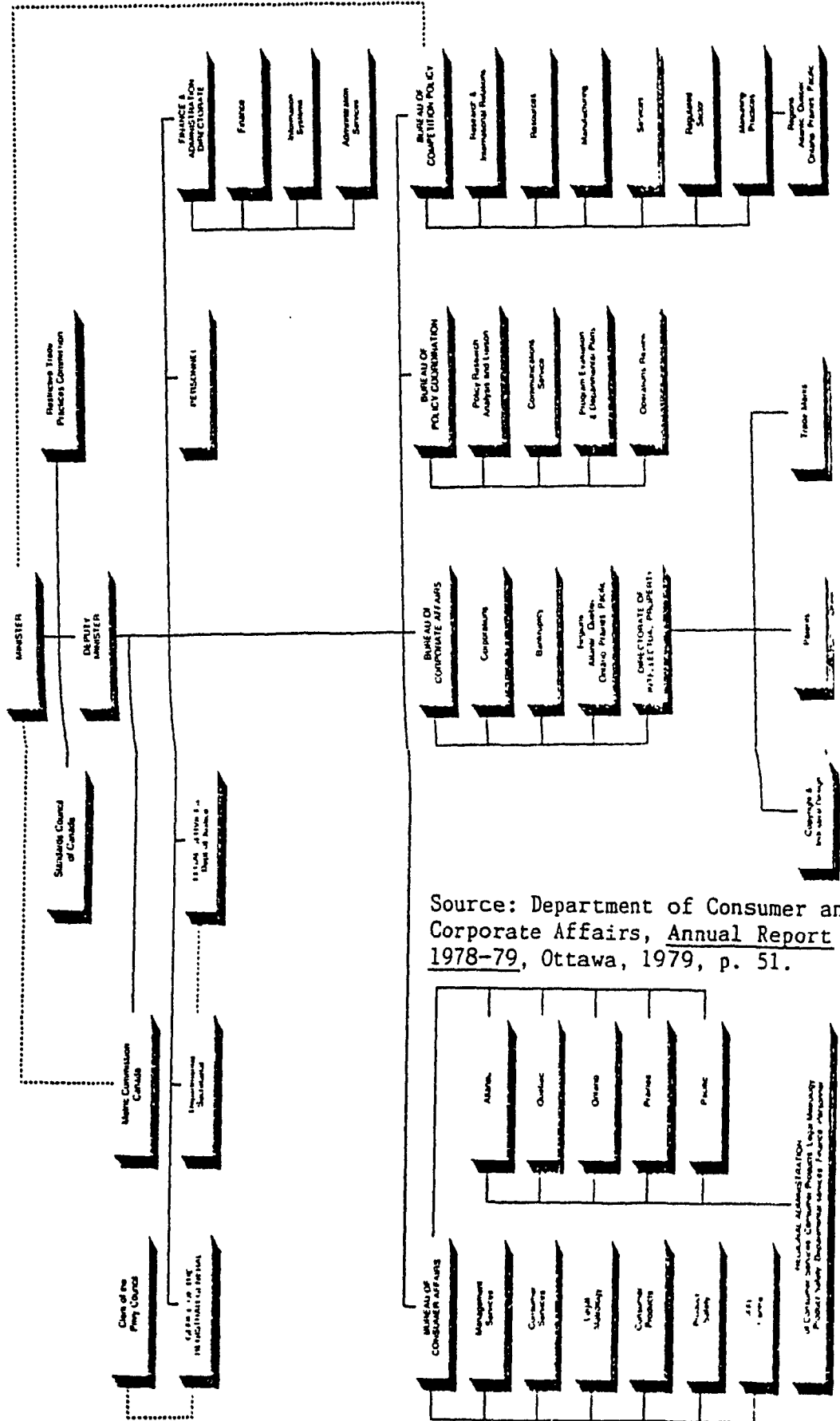
Source: Government of Canada
 Department of Consumer and
 Corporate Affairs, Annual Report,
 1968 - 69, Ottawa, 1969, p. X.

Figure 7



Source: Government of Canada, Department of Consumer and Corporate Affairs, Annual Report, 1973 - 74. Ottawa, 1974, p. 6.

Figure 8



Source: Department of Consumer and Corporate Affairs, Annual Report 1978-79, Ottawa, 1979, p. 51.

There's a major problem with the Federal Government's proposed ban on tobacco advertising.

Figure 9

It won't work.

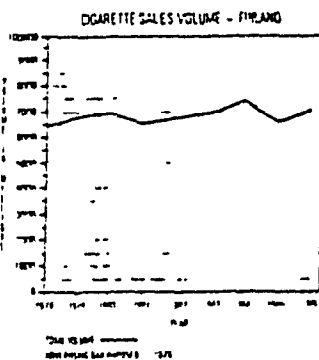
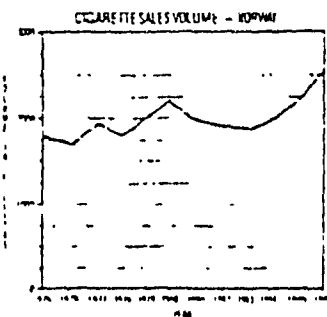
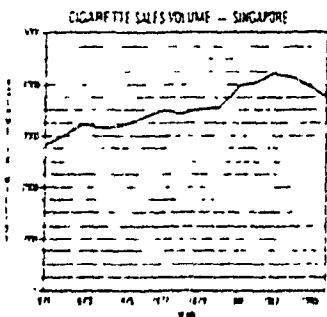
The Federal Government has proposed legislation to ban all Canadian tobacco advertising, promotion and brand sponsorship by January 1st 1980.

No matter how you feel about smoking, you owe it to yourself to examine the issue of advertising more closely. You just might find that your point of view could change.

AN ADVERTISING BAN SIMPLY DOESN'T WORK

It's been tried. Either a total or partial ban has been tried in Norway, in Singapore. And in Finland. In virtually every case cigarette consumption has not declined and in some instances it has actually increased. So a ban doesn't work.

In countries where voluntary advertising codes have put constraints on tobacco advertising, consumption has declined. In the United States consumption declined by 20% between 1970 and 1984. In Canada cigarette sales have declined by 17% since 1982.



In the countries mentioned, a change in advertising has led to a decline in consumption. In the United States, advertising codes have led to a decline in consumption. In Canada, advertising codes have led to a decline in consumption.

If the Federal Government's aim is to reduce cigarette consumption in Canada, there is clear evidence that current policies are bringing that about.

A BAN WON'T END TOBACCO ADVERTISING IN CANADA

More than 60% of all the tobacco advertising Canadians see in magazines is contained in publications entering the country from the United States and elsewhere. Magazines such as Newsweek, Sports Illustrated, People, Family Circle and Paris Match. A ban on tobacco advertising in Canada won't change that.

Instead, Canadian newspapers, magazines and outdoor advertising companies will lose up to \$30 million in advertising revenue. Companies offering internationally advertised brands will have an unfair advantage over companies selling domestic brands. And the Government will have intervened in the marketplace for no good reason.

ADVERTISING DOESN'T MAKE PEOPLE SMOKE, NOT EVEN CHILDREN

Today's tobacco advertising is designed only to encourage current smokers to try different brands. That's all it does. Ample research is available to prove that advertising doesn't encourage people to start smoking or to smoke more.

Advertising doesn't even encourage young people to smoke. A recent survey of Canadian children concluded by the respected Children

Research Unit of the United Kingdom makes it clear. The survey shows that curiosity, peer pressure and family example are the primary influences. Advertising's effect is deemed to be negligible.

BANNING ADVERTISING BANISHES JOBS

Current estimates suggest that a ban on advertising will cost upwards of 2,500 jobs in the Canadian advertising and media industries. But the Government's list of people to hurt goes far beyond that.

Among those who will feel the economic pain are people in the following industries:

- Employees of tobacco companies
- Workers in paper products industries
- People in packaging companies
- Employees of freight forwarding companies
- Tobacco growers
- Family owned retail businesses
- People in the printing industry
- Manufacturers of promotional materials



Canada's advertising and media industries will lose over \$50 million in advertising revenue. But almost two-thirds of the tobacco advertising Canadians see in magazines will come from outside the country.

IF A BAN WON'T WORK, WHY DO IT?

It's clear that banning tobacco advertising is the wrong way of attacking a perceived problem. It is also a fundamental attack on individual and commercial freedoms guaranteed under the Charter of Rights and Freedoms.

If you'd like more information on this critical issue, or if you want to express your concern about the proposed legislation, write to: P.O. Box 40, Station 117, Montreal, Quebec H3G 2K8.

Every cultural and professional sports group in Canada has the right to accept or reject tobacco brand sponsorship.

Figure 10

The Government wants to take away that right.

The Federal Government has introduced legislation to ban all Canadian tobacco advertising, promotion and brand sponsorship. If this legislation is passed into law, these activities will be illegal by January 1st 1989.

No matter how you feel about smoking, if you're concerned about civil liberties, you should examine this issue and arrive at your own conclusions.



With brand sponsorship, tobacco cultural and professional sports groups would receive \$10 million a year in aid.

WHAT THE PROPOSED LEGISLATION MEANS.

Under Bill C-51, brand sponsorship of professional sports or cultural activities will become illegal. Corporate sponsorship will still be allowed. What does this mean? It means, for example, that Rothmans' sponsorship of equestrian events would be perfectly legal while the duMaurier Council for the Arts would become an outlawed organization. If that seems more than a little silly to you, you're not alone.

WHAT IS THE REASON FOR SPONSORSHIP?

On the one hand, sponsorship provides tobacco companies with the opportunity to

WHO WILL THE LEGISLATION HURT?

In recent years, the tobacco industry has provided up to \$10 million annually for a variety of sports and grants to cultural and professional sports groups in Canada. These funds have assisted Canadian performers and athletes in many fields to achieve world status and win international recognition.

Among those who have benefited from brand sponsorship are:

- Royal Canadian Civil Service Choir
- Tennis Canada
- Canadian Race Drivers Association
- Calgary Philharmonic
- Royal Winnipeg Ballet
- Citadel Theatre
- Edmonton Symphony
- Ontario Hockey Club
- Canadian Opera Company
- Terragon Theatre
- Orchestre Limousin
- Ontario Harness Horsemen's Association
- Toronto Symphony
- Sarnia International Symphonies
- Cercle Muliere
- Orchestre Symphonique de Montreal
- Theatre de l'ile
- Grand Ballet Canadiens
- Montreal World Film Festival
- Neptune Theatre
- Maritime Recreators Association
- Symphony Nova Scotia
- National Darts Federation of Canada

be responsible corporate citizens, offering financial support in badly needed areas for activities that provide enjoyment to millions of Canadians.

On the other hand, it allows tobacco companies to reinforce brand awareness in the hope that current smokers will be encouraged to try a particular brand.

Will legal corporate sponsorship and illegal brand sponsorship change the nature of sponsorship? Yes, sponsorship is not charity. If it is a business and social investment designed to benefit both parties, if the benefits are denied, the motivation is destroyed.

FREEDOM OF CHOICE

Sponsorship is by definition a relationship of mutual consent. Tobacco companies are under no obligation to sponsor anything, and no organization is obligated to accept their sponsorship. Bill C-51 denies that freedom of choice to both parties.

It seems clear in a free society that organizations should have the right to seek or accept sponsorship from a particular company or brand. It seems equally clear that to suggest tobacco brand sponsorship of an opera or a sporting event might encourage people to start smoking, ignores the very nature of circums-



Some tobacco groups of professional sports groups will be outlawed under proposed legislation.

CAN ANYTHING BE DONE ABOUT BILL C-51?

Yes. Public awareness about the existence of the Bill can be increased. That is the purpose of this advertisement. Concern about the implications of the Bill can be expressed in your Member of Parliament. That way, perhaps Bill C-51 can be stopped or modified before it is passed.

If you would like more information on this issue, or if you'd like to help out more in these expressing concerns, write to: (1) Dave Reid, Secretary, 11, Montreal, Quebec H3C 2K8.

Figure 11

Why the proposed Government legislation banning tobacco advertising deserves a sensible second look.

Even by people who don't smoke.

The federal Government has proposed legislation banning all Canadian tobacco advertising promotion and brand sponsorship. Whether or not you smoke, if you're a Canadian who cares about civil liberties, you owe it to yourself to examine this issue and come to your own conclusions.

A VIOLATION OF THE CHARTER OF RIGHTS AND FREEDOMS?

Never in the history of Canada has a legal product been totally denied the right to advertise. Bill C-51 denies tobacco manufacturers the right to provide information through advertising and the consumer the right to receive it. So the proposed legislation may well be a direct violation of the Charter of Rights.



Albert, Canadian Province, banning advertising for all but private in the province of Canada's Charter of Rights and Freedoms.

REASONABLE CONSTRAINTS YES OUTRIGHT CENSORSHIP NO

Nobody questions the need for reasonable constraints on tobacco advertising. Tobacco advertising has been controlled through a voluntary industry code for more than 20 years.

Under the voluntary code, tobacco manufacturers withdrew from television and radio advertising. They limited expenditures and ensured that outdoor advertising would not appear adjacent to primary and secondary school areas. Within the last year the industry has further offered to eliminate people from all advertising and enlarge and modify Health and Welfare messages in advertising and on packages. With this record of co-operation and control, is outright censorship really necessary?

WHAT ADVERTISING DOES AND DOESN'T DO

Today's tobacco advertising is designed to encourage current smokers to try one brand over another. That's all advertising does. It doesn't get people to start smoking and it doesn't get them to smoke more. In countries where tobacco advertising has been banned such as Norway, Sweden, Finland and Singapore, consumption has not declined and in some cases has actually increased.

Advertising also doesn't encourage young people to start smoking. A recent study of Canadian children undertaken by the respected Children's Research Unit of the United Kingdom shows clearly that advertising has little, if any, influence.

JOBS LOST FOR NOTHING

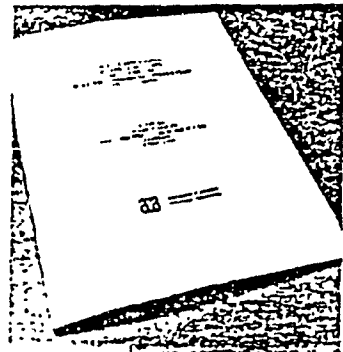
There is ample evidence to suggest that Bill C-51 will not achieve its aims. What it will achieve is massive economic dislocation. Up to 2,500 people in Canada's advertising and media industries stand to lose their jobs and many other industries will feel the economic impact.

With in-house brand sponsorship outlawed organizations such as the Royal Canadian Golf Association, Tennis Canada, the Canadian Equestrian Federation and many major sports companies, dance companies, theatre companies and symphony orchestras could lose up to \$10 million a year in sponsorship grants. All in all, a heavy price to pay for ineffective legislation.

TOBACCO ADVERTISING TODAY: WHO'S NEXT?

If the rights inherent in the Charter of Rights and Freedoms can be conveniently trampled upon in the tobacco advertising issue, whose rights will be denied next?

Will alcoholic beverage advertising be made illegal? Will advertising for certain food products be outlawed? Will trade unions be told that they can't plead their case through advertising because the Government doesn't want Canadians exposed to their views? Once we start down the road of banning information, where do we stop?



In a study conducted among Canadian children for the health commission's findings, Research Unit of the United Kingdom, the study found that although advertising encourages young people to smoke, it does not encourage them to start smoking.

- Previous partial advertising bans and self-censorship have not led to a significant reduction in smoking among young people.
- Advertising is considered an influence on less than 2% of the young people surveyed.
- Cigarette consumption among young people is substantially higher in countries where tobacco advertising is permitted than in Canada. Tobacco advertising has been banned in 10 countries since 1975.

If you're concerned about this basic point of principle, or if you'd like more information on the proposed tobacco advertising ban, we urge you to write to P.O. Box 90, Station 11, Montreal, Quebec H3G 2K8.