



National Library
of Canada

Acquisitions and
Bibliographic Services Branch

395 Wellington Street
Ottawa, Ontario
K1A 0N4

Bibliothèque nationale
du Canada

Direction des acquisitions et
des services bibliographiques

395, rue Wellington
Ottawa (Ontario)
K1A 0N4

Your file - Votre référence

Our file - Notre référence

NOTICE

The quality of this microform is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us an inferior photocopy.

Reproduction in full or in part of this microform is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30, and subsequent amendments.

AVIS

La qualité de cette microforme dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de qualité inférieure.

La reproduction, même partielle, de cette microforme est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30, et ses amendements subséquents.

The Political Economy of Western
Canadian Regionalism

Andrew Joseph Molloy

A Thesis
in
The Faculty of Arts & Science

Presented in Partial Fulfillment
of the Requirements for the Degree
of Doctor of Philosophy
Concordia University
Montreal, Quebec, Canada

April, 1992

Andrew Joseph Molloy, 1992.



National Library
of Canada

Acquisitions and
Bibliographic Services Branch

395 Wellington Street
Ottawa, Ontario
K1A 0N4

Bibliothèque nationale
du Canada

Direction des acquisitions et
des services bibliographiques

395, rue Wellington
Ottawa (Ontario)
K1A 0N4

Your file *Votre référence*

Our file *Notre référence*

The author has granted an irrevocable non-exclusive licence allowing the National Library of Canada to reproduce, loan, distribute or sell copies of his/her thesis by any means and in any form or format, making this thesis available to interested persons.

L'auteur a accordé une licence irrévocable et non exclusive permettant à la Bibliothèque nationale du Canada de reproduire, prêter, distribuer ou vendre des copies de sa thèse de quelque manière et sous quelque forme que ce soit pour mettre des exemplaires de cette thèse à la disposition des personnes intéressées.

The author retains ownership of the copyright in his/her thesis. Neither the thesis nor substantial extracts from it may be printed or otherwise reproduced without his/her permission.

L'auteur conserve la propriété du droit d'auteur qui protège sa thèse. Ni la thèse ni des extraits substantiels de celle-ci ne doivent être imprimés ou autrement reproduits sans son autorisation.

ISBN 0-315-81000-9

Canada

ABSTRACT

The Political Economy of Western Canadian Regionalism

Andrew Molloy, Ph.D.
Concordia University, 1992

Traditional political economy and critical social and political theory have generally been seen as almost mutually exclusive propositions. Rarely have these studies been combined to offer more of a general narrative on the state of relations between federal and regional entities in Canada. This thesis represents an effort to do precisely this in the context of Western Canadian regionalism.

In particular, the writings of Harold Innis and Raymond Williams are used in order to develop and provide a cultural variation on Canadian political economy and more traditional institutional approaches to the problem of Western Canadian alienation. I examine Western Canadian political, social, economic and cultural life through a series of interdisciplinary case studies. I draw upon certain insights of postmodern approaches to contemporary problems to enrich the analysis. These case studies include the changes to the Crow Rates freight legislation; the ideological underpinnings of regional economic underdevelopment; the significance of prairie populism and the development of the Reform Party in the West; and the artistic contributions of William Kurelek to Western Canadian regional consciousness.

The thesis concludes by exploring a more interdisciplinary approach to regional studies by building upon a cultural as well as an economic foundation.

ACKNOWLEDGEMENTS

It is impossible to begin this preface without acknowledging the great debt I owe to my friend and teacher, Dr. Harold R. Chorney. His insights into the problems of social theory and political economy were of great assistance in the organizing of this thesis. I should also like to thank my other committee members, Dr. John D. Jackson and Dr. Arthur Kroker for their significant contributions to my intellectual development over the years. Dr. Jackson and Dr. Kroker faithfully read all that I offered to them and in return, gave me the benefit of their knowledge.

Concordia's Department of Political Science has been my academic home for the life of this thesis. As such I would like to thank the chair, Dr. Henry Habib for his guidance as I moved from the position of graduate student to lecturer within the department. I also wish to acknowledge the support that I have received from Dr. Daniel Salée and Dr. Blair Williams for the assistance they were able to provide me with during the writing process. Thanks also to Professor James Moore for his support when I initially entered the Ph.D. in Humanities programme.

I am especially indebted to Dr. Joyce Barakett for her assistance as the Director of the Ph.D. in Humanities Program. She has always worked tirelessly for the benefit of graduate students.

Many thanks to the friends who have given me advice and support through the years; John de la Mothe, Stephen Block, Tim Thomas and Richard Nimijean to name just a few. Nigel Bicknell has provided me with warm hospitality and sage computer advice.

To my Fiancée, Ms. Charlene Yeates, I can only say that I love you and that I will never have to undertake this task again. Your support has meant more to me than I can possibly communicate in this short writing space.

Finally, this thesis is dedicated to my family in Scotland and to my parents, Andrew and Catherine Molloy, for without whom it would not have been.

The Political Economy of Western Canadian Regionalism

Chapter One	Introduction-the problem explored	
-----		1 - 17
Chapter Two	The Harold Innis/Raymond Williams British Cultural Nationalist School of Thought	
-----		18 - 52
Chapter Three	Cultural Hegemony and The Political Economy of The Western Transportation Initiative	
-----		53 - 121
Chapter Four	Populism, Neo-Conservatism, Neo-Liberalism and The Western Diversification Fund: A Case Study in Regional Political Thought.	
-----		122 - 169
Chapter Five	Prairie Populism and The Reform Party	
-----		170 - 203
Chapter Six	Art, Culture, Regionalism and The Representational Populist Ressentiment of William Kurelek	
-----		204 - 247
Chapter Seven	Conclusion	
-----		248 - 255
	Bibliography	
-----		256 - 265

CHAPTER ONE
INTRODUCTION: THE PROBLEMATIC EXPLORED

The purpose of this thesis is to attempt a cultural variation of the Canadian political economy model. I will approach a number of essentially familiar economic, political and social themes in Western Canadian life in order to reinterpret these themes within an interdisciplinary perspective.

As a consequence of operating at the margins of the central Canadian state, the West has not only been underdeveloped as an regional entity but it has been academically "understudied" as well; especially at the level of social theory. This has been felt all the more so because much of Canadian academic life has also been affected by our colonial past, and some would say, our neo-colonial present.

In order to provide a theoretical basis for this analysis, I will draw upon the work of Harold Innis and Raymond Williams. Their work constitutes part of the influence of the British cultural national school of thought on radical Canadian political theory. I will not be providing a series of intellectual histories as such. Rather, I will try to develop their ideas in the context of powerful residual cultural phenomena in Canada and particularly in Western Canada. I feel that the work of the Innis/Williams school of thought has a strategic significance for the Canadian case in terms of rethinking and expanding upon the traditional understanding of regional

study. Essentially this thesis will involve a critical consideration of the British cultural nationalists and in particular the work of Harold Innis and Raymond Williams as one insightful approach to the question of regional consciousness and populism.

Before I begin however, I would like to briefly discuss the intellectual roots of political economy in order to explain what I consider to be a problem of too much specialization and too little interdisciplinary thought in the social sciences today. It is this debate that forms the foundation for this thesis topic.

The discipline of political economy was established by the late eighteenth century classical scholars who wanted to bridge the gap between the economic analysis of the relations of production in a society and the intellectual roots of the dominant ideology. This life project allowed the classical political economists, beginning with Adam Smith, to provide a wealth of knowledge from which we are still drawing today. (Galbraith, 1977). Imagine how easy it would have been for Smith to simply document the first factories as "case studies" for the type of narrow empirical work which is quite in vogue today under the rubric of political economy. Instead Smith chose to examine the larger societal implications of industrial capitalism by illustrating the physical layout of the pinwheel factory. He operated under the assumption that

economics and political theory must be united under a single paradigm for a more sophisticated perspective on society.

Political economy today has fallen prey to the specialization of instrumental reason. Most practitioners generally fall into two categories. There are the public choice theorists such as James Buchanan, Thomas Dunn, William Jenkins and Gordon Tullock who have developed the simple concept of opportunity cost into an overconsumptionist model of citizens as consumers and politician as products. The old concepts of human needs and wants no longer have any meaning under public choice theory. What we have instead is a series of political choices which should be decided according to a rational expectations model of economic development. As a mirror of reality this theory is remarkably unself-reflexive. Public choice theory is concerned with what is supposedly going on in a society instead of what ought to be going on.

Even this modest goal appears to be beyond the reach of public choice theorists however because for example, their analysis does not usually extend to the concentration of communications industries in this country from which comes most of the consumers' information. In fact, the communications industry shapes political socialization to a great extent. As a result, the process of political socialization remains outside of public choice theory. We are left with a largely descriptive application

of political economy to the question of economy and society. (Mueller, 1982; Blais, 1982, pp.783-809.)

The second group of political economy practitioners are the so-called neo-Marxists. It is important at this juncture however, to discuss the differences between cultural Marxist analysis as part of classical political economic thought and the more narrowly defined "scientific" neo-Marxist perspective.

There is a long debate in Marxist circles between those who tend to favour a more literal interpretation of Marx's writings as a "blue print" for society (Harold Chorney refers to this tendency as "Messianic Marxism") and other theorists who are more interested in advanced capitalism as a cultural phenomenon winding its way to the end of the century.

What is interesting to note is that in true postmodern style, the debate does not parallel economic business cycles. Marx the philosopher does not suffer from Marx the economist in a recession or a depression. The debate seems to be more of a matter of recycling text in order to make the text more accessible to current generations. The problem is that the text has become part of the fragmentation process because of the specialization of political economy. Secondary textual treatments of Marx have degenerated into a split between those who seek a more practical approach to politics and the more artistic impressionist interpreters of the larger cultural

implications of capitalism such as the former Birmingham School of Cultural Studies. These emerging schools of thought have been referred to as the structuralist and post-structuralist schools of thought. The structuralists have attempted to revitalize Marxism as a relevant alternative to capitalism through such mechanistic theories as the accumulation/legitimation functions of the capitalist nation-state.

By providing these types of explanations and further distancing themselves from the discredited Stalinist Soviet model, the structuralists hope to overcome certain false forms of human consciousness to favour a unified, updated class of working people. The problem is that much of the structuralist material is written in a traditional Marxist discourse which tends to assume a certain economic and philosophical linguistic fluency. This cultural fluency has largely evaporated in the wake of the specialization of studies in the social sciences. Post-structuralist Marxism is largely a response to "scientific" Marxism and the recognition that the "working classes" no longer exist as a conscious grouping.

One of the most important tasks of a theorist is the attempt to attain a certain consistency in the use and meaning of language. It is the language which allows us to be specific when we need to be and as sufficiently obscure when we have to be. Nowhere is this ambiguity more acutely felt or understood than in the social sciences.

It is not that social scientists cannot create language in response to the empirical data from which all the verifiable knowledge is supposedly drawn. Rather, it is the more established, almost anthropological, terminology which has to be continually clarified. Political theorists have tried to codify such terminology as ideology, culture, dependency, hegemony, or discourse within a series of textural treatments. The problem is that there remains a silence or more accurately an absence of meaning in the attempt to find a consistent pattern of definitional thought. The scientific application of political theory has served to only further muddy the waters of reason and clarity. The theorist is therefore left to invent definitional meaning as an explanation for a series of complex phenomena.

Because of this methodological problem, and the interdisciplinary aspects of this thesis, I would ask the reader to widen his or her understanding of what usually constitutes empirical data. Empirical data usually stems from a methodological application of certain mathematical formulas to collected data. Such data is then written up with carefully prepared qualifying statements to provide a partial basis for argument. I will use less of this type of empirical data during the course of the thesis.

Instead, my empirical approach will consist of an exploration of the representative literature as a method of documenting the evolutionary meaning of certain important

terms in political theory. I will begin by defining certain key words such as culture, ideology, dependency and discourse through an historical analysis of some of the important thinkers who were/are associated with these terms. Since the definition of these terms has changed according to whoever has been using them, I will define each term as it is applied to the thesis. Having accomplished this, I will then introduce the various chapter themes of the thesis. To wit: in chapter two, the theoretical underpinnings of Harold Innis and Raymond Williams' life projects will be elaborated in the context of the Western Canadian political economy model.

Culture

The notion of culture has become to a large extent our common language and has acquired a variety of meanings in many disciplines. In intellectual life, many have used the term in a very general sense while others have tried to define it as rigorously as possible to the end toward which it is directed. At the societal level, culture embraces a number of complex configurations because of the integration of cumulative substances, theoretical and methodological dimensions. A cultural nationalist such as Raymond Williams takes on the formidable task of mapping the field--even in a general sense. After creating the possibilities for a sociology of culture, Williams moves on to the cultural form

itself. He then moves on to consider the social processes of culture with a special focus on the signals of art.

Thus culture for Williams is the outcome of the materiality of artistic reproduction and its social relations which are tied to the market mechanism and a historical pattern which must be socially specific.

Terry Eagleton on the other hand defines culture in a more orthodox mechanistic way. "All literary production belongs to that ideological apparatus known as culture." (Eagleton, 1976, p.152). He goes on to argue that ideology has contaminated the "aesthetic" claim that historical materialism will allow men to live by culture alone. Categories for materialist criticism are even set-up to help the reader understand how the cultural project of the petty-bourgeoisie has led to contradictory forms, values and discourses with the region of ideology. Culture in this sense is meant to signify the ideological vacuum in developing capitalism which has led to breaks and revisions within the dominant mode of reasoning (thinking). It is clear that Eagleton in Criticism and Ideology (1978), sometimes uses the term culture and ideology interchangeably in his attempt to understand the historical process which has given rise to a popular middle-class style of communication (discourse eventually). Culture it seems is whatever you make of it-be it within more general or specific use. It seems to depend on your own personal

background as your way of seeing the world and its relationship to you.

Ideology

Ideology is also an interchangeable word which one can use to refer to just about anything one comes in contact with and its meanings, just like the meaning of culture changes according to a particular time-span and locale. However if one goes back to the classic work of Karl Mannheim, a fairly clear approximation of ideology can be constructed.

Ideology according to Mannheim, can have a specific, localized character as well as a more universal application. At the local level, ideology is sometimes discovered in vain, deliberate attempts by our opponents to objectify "ideas and representations" which would not be in our interests. (Mannheim, 1936, p.55). Ideology in this sense, is a "stylistic application" which holds us captive to a damaged sense of reality, a false consciousness wherein the ability to assess meaning in some instances is lost for a time.

The more universal definition of ideology is closely, but not totally, associated with the Marxist perspective of identifying either concrete social-economic groupings or the specific nature of a particular age in time. (Ibid, p.55 & 56). Mannheim closely links the specific and universal uses of ideology as part of an overall model

which has individual life-experiences and "a psychology of interests" at its core. (Ibid, p.56 & 57). We cannot therefore remove ideology as a part of our existence if we do not agree with the ideas of individuals or certain social-economic groupings, because ideology appears to be more of an encompassing factor in society than has traditionally been presented.

Let us sketch out Mannheim's use of ideology in reference to Canada. Different stages of Canadian history have been clearly identified in ideological terms with whether the federal or provincial governments had dominated federalism during specific time periods. Specific social-economic groups have directed our political and economic system according to their interests. We can also recognize the utterances of Prime Ministers and Premiers of different political parties as being in keeping with certain ideological orientations. Regionalism, as developed in this thesis is strongly tied to ideologically shifting positions such as prairie populism and regional consciousness. Mannheim's ideological "fabric" is strong enough to allow for the nuances of a changing political, economic and social system over time while consistently anchoring the meaning of ideology in our intensely lived experiences.

Conversely, the meaning of ideology has also been used to signify a particular set of relations which are at once objectively real, transcendent and demanding belief (at least to oneself). Giddens for example tries to redefine

ideology in a way that fits his own perspective or science. The concept of ideology should not be formulated according to achievements of sciences which he sees in a more neutral primitive way. He critiques Althusser for proposing Marxism as a science which has broken free from ideology. Giddens further rejects ideology that can be defined in reference to truth claims, while presumably science can. This position of course is ideologically laden. He then goes on to argue that ideology should be reformulated in relation to a theory of power and domination, to the modes in which systems of signification enter into sectional forms of domination. He goes on to try to prove his point with reference to Marx's The German Ideology (1932). Ideology, according to Giddens is just a cover for the ruling elite to legitimize its domination of others to its own satisfaction. This is why Giddens also wants to reject the idea that ideology can be defined in terms of any specific content at all. It is in this sense that Giddens confuses ideology and discourse.

Eagleton on the other hand perceives ideology within the context of textual analysis in a more concrete sense. Eagleton's thesis in Marxism and Literary Criticism (1976), is as follows: "Ideology in any society has a certain structural coherence--then it can be the object of scientific analysis: since literary texts belong to ideology, they too can be the subject of such scientific analysis." Eagleton goes on to further specify the part that ideology plays in carrying relations between form and

content. i.e. literary history, relations between author, audience and authors' codified ways of interpreting the world. Ideology much like culture can be defined according to external factors rather than empirical truths.

Dependency

Dependency is a term used to signify a set of exploitative relations between nations, regions and social-economic groupings. Closely related to Marxist analysis, dependency is recognized by contrasting and comparing differing patterns of economic, social and political development between the various nations in the world. We can for example speak of first, second, third, fourth and even fifth world countries in existence today according to such criteria as military power, industrial base, natural resources, land mass and demographics. (Guy, 1990, p.135). These relative differences have historically provided a powerful basis for the dominance of Great Britain, United States or the former U.S.S.R. over nations that were geographically within a close proximity. By extension, the dominated nations became further dependent through a process that either involved direct forms of control such as colonization or by limiting the ability of the dependent state to develop beyond dependency and remain underdeveloped as a consequence. Academic dependency schools of thought have been created in order to fully examine what has occurred in dependent countries over time.

The Latin American underdevelopment school of thought used a Marxist model to first explore the dependency syndrome borne out of American "gun boat" diplomacy and the control over various Latin American economies through mostly American multi-national corporations. A linkage is then established between economic exploitation and cultural dependency because of the need to create "native" governments that are friendly to American interests in the region with all of the resulting cultural stagnation that would occur as a result of such actions. One famous example of critical theory in Latin America is the comic book text, *How To Read Donald Duck* (1971), which was written to expose American cultural imperialism through "export icons" such as Mickey Mouse and Donald Duck. (Dorfman, 1971). The impact of such cultural dependency not only led to the decline of indigenous cultural formations but helped to create the conditions for the American financed overthrow of the Allende Government. Economic and cultural dependency are thus linked in terms of political dependency.

The characteristics of the Latin American school have important ramifications for the Canadian case because of our own dependency theories. As a former colony of Great Britain and currently heavily dependent on the United States for economic "security", Canadian life is constantly focused on "the outside influences" that affect our country. One of the earliest Canadian forms of dependency is staples theory that was closely associated with the classic work of Harold

Innis and other prominent writers such as W.A. Mackintosh. Since I will be discussing staple theory in the context of chapter two, it would be more useful to briefly define the concept before moving on. Staple theory is based upon an examination of the trade in staples over periods in time in order to explore how a country has developed economically. Innis examined a number of staple histories ranging from fur trading to cod fisheries and ultimately argued that Canadian reliance upon staple-led economic development had negative ramifications for the future independence of the country. Others such as Mackintosh did not agree. (Mackintosh, 1967).

This early form of dependency theory which is still adhered to today, influenced many later Marxist political economists who examined American multi-national corporatist influences and the role of a comprador elite in Canada which had restricted independent Canadian strategies substantially in any given period of time. Dependency thus forms an important part of past and current debate in Canada at many different levels of analysis.

Discourse

Discourse refers to a mode by which one can communicate a specific thought pattern. This can take place in either the written or oral form. It can take the form of a thesis, speeches, presentations and sermons; through a number of common ways of communicating. Usually discourse refers to something that can be seen in an ongoing process,

that is it deals with subjects of an non-empirical nature. A discourse involves more than simply writing a mathematical proof or a legal document; you are appealing to someone's reason. Discourse in the academic world can also refer to a particular school of thought and thus can also be intertwined with ideology and culture. Neo-classical economists for example have carried on through a particular methodological way of communicating their particular perspective. Other economists such as Marx and Keynes have used a particular mode of language to communicate their ideas to others. Michael Foucault has made a great contribution to the resurrection of discourse analysis through his series of historical investigations. He has been successful in getting us to understand the impact of a certain hidden bias which influences the way we think of certain things. In this sense, ideology, culture and discourse overlap. It is an attempt to integrate symbols and meanings within a particular mode of thought which may not be visible (at least at first glance) to those who are alien to that way of thinking. Discourse like ideology is a definite form of social consciousness.

Guide To The Work

In the chapters that follow I explore the political economy of Western Canadian regionalism in a series of creative essays in order to bring an interdisciplinary approach into focus.

Chapter two, "Harold Innis, Raymond Williams, British Cultural Nationalism and the Dominant Ideology Thesis" is an examination of two important thinkers and the value of their writings and lived experiences in the context of regionalism as a cultural, political and economic construct. The debate surrounding the notion of a dominant ideology is also discussed in reference to its particular application to Canada.

Chapter three, "Cultural Hegemony and the Political Economy of the Western Transportation Initiative" draws upon the familiar theme of the Western Canadian "crow rates" issue and develops a cultural perspective based largely on the Innis/Williams Nationalist school of thought.

Chapter four, "Populism, Neo-Conservatism, Neo-Liberalism and the Western Diversification Fund: A Case Study in Regional Political Thought" ties together more current federal and provincial regional economic strategies within the ideological context of North American neo-conservatism and neo-liberal schools of thought as personified by the writings of George Gilder and Lester Thurow and the contributions of the Western Canadian based Reform Party. I illustrate the impact of the neo-conservative and neo-liberal schools of thought in an indirect fashion with the creation of the Western Diversification Fund; a federal government initiative that is directed towards private sector participation rather

than direct government investment in regional stimulation policies.

Chapter five, "Prairie Populism and the Reform Party" contains a general discussion of prairie populism in Canada with a review of various academic contributions to our understanding of populism as well as an detailed examination of the latest Prairie "populist" phenomenon, the Reform Party.

Chapter six, "Art, Culture, Regionalism and the Representational Populist Ressentiment of William Kurelek" is at once a cultural, artistic and political treatment of a transitional Western Canadian artist within the larger context of the centralizing tendencies of a "Eastern-dominated" federal state. In the process various theories of art and society are explored in order to sharpen the "popular culture order of things" that dominates much of Western society today.

Chapter seven is the concluding segment of the thesis, wherein I reiterate the importance of an interdisciplinary approach to the study of Western Canadian regionalism through the material that is developed in chapters two to seven.

CHAPTER TWO

HAROLD INNIS, RAYMOND WILLIAMS, BRITISH CULTURAL NATIONALISM AND THE DOMINANT IDEOLOGY THESIS.

"Artists, poets and philosophers have just two functions, i.e. to bring the inner significance of the period and the world to ideal vision and to transmit this as an imperishable record to posterity."
D.B. Copeland (1950).

Harold Innis and Raymond Williams provide a system of thought which is at once historical, practical, structuralist and highly personal. This is why their work has a strategic significance for a cultural variation of Western Canadian political economy. For in order to understand Western Canadian political economy one must take into account personal politics, practical politics, the region's history and structural analysis to create a more general perspective. One therefore needs to examine the work of interdisciplinary thinkers whose cultural backgrounds are similar in order to undertake an analysis of a region which has to be studied from an "old world" as well as a "new world" perspective. Innis and Williams are representatives of a disenchanted aspect of the new/old colonial experience which has developed as a body of thought that is strongly regionally sensitive. At the same time, it provides a broader context for the kind of study that has largely been abandoned in the era of specialized, exclusionary thought.

It is through the broader perspective that seemingly random occurrences and political events can be recast in a

rather more insightful manner. In order to "put it all together" however, there is a definite requirement for the type of general scholar with the ability to perform such a task. There are less of these types of individuals because of the cult of specialization which insists on narrowly defined study as more scholarly to the point where, as one wag put it, "a Ph.D. means you now know everything about nothing."

The consequences of this slightly exaggerated perspective are particularly pronounced in a regionally-differentiated country such as Canada. Our history, our economy and our society are not only studied in a narrow context, but also in a rather centralized fashion; as if Canada could be perceived as a unitary state instead of a federation. The result is an almost "disembodied" literature that is notable for what "it leaves out" just as much as it is for what "it includes." For example, Western Canadian political economy has been studied from the standpoint of specific textual treatments of narrow fields of study, but has been less informed through interdisciplinary approaches.

The Innis/William perspective constitutes one interdisciplinary approach that provides an important linkage between social theory and regional political thought. The social theory of an Innis may be relatively understated in comparison with that of Raymond Williams, but it exists none-the-less. One could say the same of Williams' regional perspective in contrast to that of

Innis.' Taken together, however, their work successfully forms part of a larger school of thought which has developed out of a profound sense of skepticism regarding the evolutionary politics emerging out of Canada and the United Kingdom from the time of the turn of this century on. Simply put, Innis and Williams seriously questioned traditional political practices of governance and society in their respective nations. By the same token, however, both still remained tied to the culture and society which produced them, while remaining alienated from the various centralizing tendencies of both states. (Neill, 1972, Kroker, 1984, Gorak, 1988, Zinman, 1984). Neither Innis nor Williams could separate personal politics from political projects.

As a consequence of this "inability", they created a powerful combination of academic "populism" and regional political consciousness that culminated in the development of a critical economic school of thought in Canada and the resurgence of "new left" thought in Great Britain. (Kroker, 1984, Patterson, 1990, Gorak, 1988, Zinman, 1984).

The critical economic school in Canada was that of staples theory, which Innis did not start but rather made his own. He did so by sheer artistry. He combined dry economic data with a "sense of romance and mystery" to give the impression that what was being studied was not half as important as to how it was being studied and what could come

out in the end. (Neill, 1972, p.7). Innis was able to present staples theory in a way that allowed his students to combine empirical certainty with creative speculation as to the future of the Canadian experiment. This intellectual process created a path for the critical thought of both Marxists and non-Marxists in contributing to the Canadian nationalism of the 1960's and 1970's.

In terms of the resurgence of "new left" thought in Britain, it has been argued that "without [Williams'] Culture and Society 1963) the work of the British 'new left' with its sustained critique of British social and political institutions, might never have occurred." (Gorak, 1988, p.52). Williams represented an important link between the traditional establishment through Cambridge University and the working class roots of his Welsh background. This motivated him to marry literary criticism, regional sensibilities and refined Marxist philosophy to develop an explicit sociology of culture as a set of definite power relationships. Those who have followed Williams have largely adopted a cultural perspective to radical political thought in order to reassess what is currently happening in the light of the past as a way of speculating about future political events. While this process is hardly new to the European experience elsewhere, Williams is acknowledged as both a "populist" and a "popularizer" of such an approach in Britain. (Gorak, 1988, p.4). As in the case of Innis' staples theory, Williams may not have begun cultural,

literary and social radicalism, but his stylistic sensibility set the stage for what was to come later in British "new left" thought.

The Innis/Williams legacy has also had important implications for the Thatcher neo-conservative period in Great Britain and the somewhat more politically understated conservative policy debate in Canada. For those who followed the Innis/ Williams nationalist school of thought believed that cultural resistance was possible to achieve through academic activism and "the taking" of political positions against the ideological hegemony imposed through a powerful set of economic factors and cultural formations. Their strategy or should I say what could be identified as the dominant themes in their work, revolved around a cultural resistance tradition that tried to strip away the authoritarian certainties of comfortable elitist positions in society.

Personal Politics

If Harold Innis and Raymond Williams had ever met they would have quickly realized how much their work complemented one another in terms of regional sensibility and personal politics. Both men could be accurately described as "dabblers" whose life projects revolved around searching for meaning beyond narrow centralizing academic focuses of thought. Innis was born on a small farm in the still largely rural region of Southern Ontario while Williams grew up in the small border town of Pandy. (Neill,

1972, Gorak, 1988). Both began to develop their regional philosophies of dependency at a early age by observing the impact of industrial life on the countryside and by extension on their personal lives. Williams makes this point directly in Border Town (1960) and The Country and the City (1973) in his geographical socio-economic descriptions of his village and the largely negative effects that a changed working life has had on the family. (Zinman, 1984, Gorak, 1988). This often romanticized setting played an important part later on in Williams' textual - historical analysis of English writing styles and content. Williams above all, tried to lay to rest the fanciful dichotomy that was supposed to exist between the ideological concepts of the city (concentrated commerce) and the country (concentrated nature) by using the discursive language of the romantics in his early historical investigations. (Ward, 1981, Zinman, 1984).

Although coming from a much more conservative family background, Innis developed his somewhat sarcastic attitude through a combination of family conflicts, academic disputes and wartime experiences. (Neill, 1972). Innis' understanding of the hinterland-metropolis dependency themes, grew in part out of the need to move to progressively larger centres to advance his education. (Ibid). It was this uprootedness that led to his later questioning of aspects of Canadian mainstream economic

theory. This was as much of a personal statement as anything else.

In much the same fashion, Williams developed some of his social theory through his early unhappy experiences at Cambridge. (Gorak, 1988). What is important to note here is that Innis and Williams' early life experiences contributed to their early investigative historical works such as A History of the Canadian Pacific Railway (1923) and The Long Revolution (1961) which were written before a totalizing theory was clearly established.

This is especially important to consider in terms of my own thesis which approaches the problem of Western Canadian regionalism as part of an older tradition, with four main threads running through it: economics, politics, society and technology (non-human nature). The personal background of Innis and Williams played a large role in shaping their theories. The linkage between all four of the threads which I have identified is the notion of ideology as a centralizing state tendency. This is why I will also examine the role of ideology in regionalism. This perspective has not only important ramifications for the study of populism (personal and political) that characterizes so much of Western Canadian regional life, but also provides some of the tension found in the intellectual ambivalence of the Innis/Williams cultural school of thought.

Had they ever met to discuss each other's writings, Innis and Williams would also have been able to fill in the "gaps" in each other's intellectual "make-up." Innis above all, understood the impact that a particular set of economic relations would have upon a region's developmental patterns. He however, invoked no version of economic classes. (Wernick, 1985). This was thought unnecessary as he charted the regional and nation-wide fate of a civilization trapped between the old world of the British Empire and the neo-colonial mastery of the United States. Innis, as Kroker has pointed out, was a Canadian conservative more in the style of a George Grant than an American free-enterpriser. (Kroker, 1984). Innis preferred instead to comment on the hypocrisy of Canadian elites and the lack of serious understanding on the part of major institutions such as the Canadian church. (Innis, 1956, Neill, 1972).

It has also been argued that Innis ignored the problem of distributive justice and did not provide a collective picture of the individual, proletarian or otherwise. (Wernick, 1985, Christian, 1981). Social classes were largely absent for Innis in his study of history and this again, may have had something to do with the anonymous perspective of a Canadian who felt little social solidarity as part of a larger, nation-building vision. Innis often seems to be the Canadian version of the "man in the glass booth." He could see the regional breakdown of Canada in a

rather dispassionate way through calm academic analysis but he also felt the bile rise in his throat at the "calculated stupidities" of Canadian political figures and their various misdeeds. (Neill, 1972, Kroker, 1984).

Williams on the other hand, had been able to analyze the continuous cultural patterns of economic classes in British society through his structuralist methodology. He also concentrated on the particular art form of drama, to make his point on behalf of a historical analysis of individual transformation agents, that combined literary theory with radical political thought. In so doing, he was able to invoke a collective historical picture of the individual and he provided basic methodological techniques for analytical purposes. Unlike Innis, Williams' analysis was for the most part non-economic. When he spoke of economics at all, it was in an indirect fashion. Williams considered economics as a category, to be a form of capital maintenance and therefore a rather minor part of a larger totalizing system of power.

Minerva's Owl and "New Left" Thought

Harold Innis

It has often been said that Harold Innis was one of Canada's most influential thinkers not only because of what he had accomplished, but also what can be referred to as his "magnificent failure" to construct a totalizing theory of communications theory, economic structuralism and

political development. Johnathan Miller has remarked that "it is the fate of some individuals to leave behind a series of enthusiasms rather than a fully developed body of theory." (C.B.C., 1983) Miller made this remark in response to the work of Marshall McLuhan who ironically "took Innis' work" and popularized it internationally as a communications theorist. If such a statement was true of McLuhan, it was somewhat less so, but still true of Innis. His talents ran from being an early economic biographer and a classical scholar to a communications historian and cultural theorist. Robin Neill argues that Innis rebelled against his conservative scholastic and family background due to his First World War experiences. This led to his subsequent dislike for authority figures and his penchant for the philosophical musing of Nietzsche, Hegel, Weber and Spengler. (Neill, 1972, Kroker, 1984). I would add to this observation the following. Innis, like Williams was a fully ambivalent intellectual who remained largely alienated from Canadian society even though his own ideological perspective was a conservative one. This sense of alienation was never confronted directly in his work except through the often-times acerbic tone he presented in selected writings, where he would pontificate upon more current Canadian events rather than "hide" in the "aura" of ancient civilizations.

Thus, it was a rather short step from analyzing economic staple patterns of development to a series of oral lectures on communications and the pattern of the Minerva's

Owl effect. (Hegel, 1967, Innis, 1951, Neill, 1972). What Neill refers to as the Minerva's Owl effect had three aspects at the core:

"...the recognition of a flourishing culture which had reached a particular moment in time and was about to disintegrate under the onslaught of another culture; ...cultural flowering does not take place in the same place or same way twice; ...innovations generally take place in fringe areas of political systems." (Ibid, p.101).

It does not take a great imagination to realize that the flight of a Minerva's Owl in European and Asian civilizations would serve as a cultural metaphor for Innis in an attempt to write about Canada in a deliberately obscurantist perspective. Innis' position however was not so obscurantist, that the intellectual and academic audience he had codified his writings for, could not follow his lead. They have however differed greatly in various attempts to further clarify Innis' thought patterns.

"Clearly neither a theory of growth nor of economic development was evident in Innis' work at the beginning." (Neill, 1972, p. 36).

"Innis always had the larger picture in mind." (Kroker, 1984, p.104).

These two somewhat contradictory positions represent an essential Innisian paradox, the number of different perspectives that have emerged regarding Innis' overall work. There are two reasons for this. First, the discrepancy between the introduction, conclusion and the body of empirical work found within Innis' texts. Many critics have pointedly remarked that Innis did not seem able to match his analysis with the consistently ambitious

objectives he set for himself. (Patterson, 1990, pp.25-59). Innis was never really able to escape this problem within the confines of a single work. Beside his own ambivalence, the other causes of this problem can be traced to the influence of two differing schools of thought which led to contradictions in Innis' later work. Simply put, the first influence came from the call for a detached scientific analysis to be the dominant mode of thought in regional economics. At the same time however, Thorstein Veblen was a powerful influence on Innis as he went on to develop the theory of cyclonics based upon a "staples as study approach." (Neill, 1972). Veblen introduced an alternative value theory to the neo-classical tradition in economics. Kroker refers to Innis as "the best that the Chicago school has had to offer" as part economic biographer, part economic scientist of the new world. (Kroker, 1984, p. 106). But as McLuhan points out the Chicago school drew upon the traditions of classical European sociology rather than classical economic science. (Innis, 1964).

A second contradictory influence which led Innis to try to bring in the question of values into his regional economic analysis came from such disparate thinkers as E.V. Urwick, W.J. Donald, C.W. Wright and F. Knight. (Neill, 1972, Havelock, 1982). From these individuals, Innis learned to match an empirical perspective of various industry studies such as dairy farming with larger regional questions based upon governance and sociology.

Innis' lived experiences influenced and were influenced by his work to the point where a nervous breakdown occurred as he tried to balance his unresolved intellectual contradictions with an administrative career. (Creighton, 1956, Neill, 1972,). Williams experienced a similar sort of disorientation at Cambridge.

Innis moved forward in search of the larger project. His first published work, A History of the Canadian Pacific Railway (1923) had straightforwardly detailed the mass of financial data surrounding "the problems of finance, debt structures, overhead costs and the speed of expansion for the C.P.R." (Neill, 1972, p.42). It was in many ways, an underdeveloped work of historical investigation regarding a crucial period of Canadian economic history. Innis' concept of cyclonics is touched upon briefly in the introduction and conclusion of the text at an embryonic stage. (Neill, 1972, Patterson, 1990). We are told that it is only with his latter works such The Fur Trade in Canada (1930), Settlement and the Mining Frontier (1936) and The Cod Fisheries (1940) that one can clearly begin to see a theory of growth and economic development emerging. (Neill, 1972, Patterson, 1990). The rationale for this gradual intellectual development of his theory is that Innis had to be careful of his conservative social standing. He could only make a case for his later more controversial work in communications by referring to the distant past in an

obscure form as an analogy for the cold-war present. (Neill, 1972, Kroker, 1984).

For example, Innis' discussion of the fur trade is at one level a study of the forces working in favour of the formation of Canada as a distinct, unified political entity. (Neill, 1972, Creighton, 1957, Kroker, 1984). The study focuses

"on forms of commercial enterprise as the main factor in political organization. Particular emphasis is placed on the process of organizational growth, turning the history of the fur trade into an account of struggle between competitive and monopolistic forms of enterprise. During the French period, heavy social overhead was necessary to build military facilities for defense against the British, which in turn, led to the centralization of economic activities. After the French were defeated, the overhead was no longer necessary, and neither was the centralization of economic activities. A new efficient decentralized system led to the eventual amalgamation of the system in 1821 as the fur population dwindled, supply lines were stretched, profits fell and costs grew heavier. A monopoly was then re-established." (Neill, 1972, p.44).

The deregulation of the airline industry in the United States in the 1980's is one modern example of this economic phenomenon of restructuring of capital in accordance with changes in the direction of governance. One is tempted to add as Innis might today "that the more things change, the more they remain the same."

C.R. Fay has convincingly argued that the history of the fur trade was not simply a comment on an early phase of Canadian development but "a further attempt to build up the theory of cyclonics." (Neill, 1972, p.45). As in the case of fish, timber, minerals and pulp and paper, the continued centralization of activities made it possible to

accommodate+ each new phase of industrialization in fairly short order. Since Canada has always depended on quasi-monopolistic businesses to drive its economy, Innis began to think of his work as a device for charting economic development in Canada through a process of regional dependency.

In 1940, Innis moved to the larger question of communications technology and left the history of staples to C.R. Fay and George Britnell. (Neill, 1972). If he had wanted to, Innis could have further developed Thorstein Veblen's ideas about methodology for regional economic theory as he had originally intended during his early days at the University of Toronto. Innis attempted to pick up many of the societal effects that new technologies have had on an advanced dependent society like Canada. It was at this point that Innis was able to develop the notion of space-binding and time-binding technologies as containing possible emancipatory moments for Canada, if the appropriate political will existed. This general way of perceiving the rise and fall of nations from a historical standpoint provided an excellent method for Innis to understand the "crisis of Western civilization." He was able to understand much like Eric Havelock and Graham Wallas the whole lines of communication in a general sense. (Wallas, 1935).

The Cod Fisheries (1940) is not about cod but an analysis of the effects of competing colonial empires (French, Spanish and British) and the technological changes

which have affected the dominant means of transportation. (Neill, 1972, p. 48). It is a harbinger to the Minerva's Owl effect and Innis' more explicitly political later work in Empire and Communications (1950), The Bias of Communications (1951) and A Strategy of Culture (1952).

It is in The Strategy of Culture, that Innis traces the use of what he refers to as "mechanized communication" as instruments of power over Canada. Like Williams in his own later work on advertising and the decline of a working class press in Britain, Innis explores the overwhelming pressure of mechanization in the North American print media which eventually led to the creation of vast monopolies of communication. (Innis, 1952, p.15, Williams, 1980, pp.170-195). Innis examined the New York publishing empire (one of several "command centers" in the U.S. which had flooded the Canadian hinterland with cheap American books and magazines containing in many cases, entreaties to join the United States). Worse still, the cheap overproduction of such material forced down prices and forced many Canadian writers and small publishing outfits to work under American publishing houses to get their work distributed in Canada. "Our poets and painters are reduced to the status of sandwich men." (Innis, 1952, p.16).

It was through this type of historical survey that Innis understood the cultural crisis in Canada. This crisis was provoked by the ideological hegemony of the American empire, with its implications for an advanced dependent

society like Canada. He responded with what he called a survival strategy, aimed at taking "persistent action at strategic points against American imperialism in all its attractive disguises." (Innis, 1952, p.16). He advocated holding on to Canada's European (especially British) cultural heritage as a bulwark against American imperialism. He argued in favour of constructive efforts to explore the cultural possibilities of various media of communication and to develop them along lines free from commercialism for example and an all Canadian content on radio and television.

The constant struggle that ran throughout Innis' work was the overwhelming need for a balance between time and space. In the Cod Fisheries, The Fur Trade in Canada, A History of the Canadian Pacific Railway, The Bias of Communication and The Strategy of Culture, Innis attempted to "rediscover" popular cultures in Canada to help in countering the ideological hegemony of the "commercial empire" of the United States. Innis ended his work with essays such as A Strategy of Culture which attempted to bring out the emerging problem of communications technology and its potential impact upon a marginal country like Canada. Innis ended up calling for central access points to fight off American cultural imperialism.

In his article on "The Post-Innisian Significance of Innis" (1985), Andrew Wernick tries to concentrate on Innis' conceptual weaknesses. Innis was a thinker who does not fit into any particular mode or academic label. Innis

would develop a certain line of thought for some time before he abandoned it or tried to tie it to a larger, vague project. Out of his work however we are able to understand Canadian regional dependency by interpreting whatever loose strands were left "dangling" in the light of contemporary political thought. Wernick claims that Innis was not able to "systematize his categories and reflect on their interconnected logic." (Wernick, 1985, p.136).

I do not think that Innis saw his work in these terms however. As the story of the fur trade centered on pressures in the direction of centralization, so the story of the cod fisheries focused in a change from decentralization to centralization and the decline of institutions shaped by the former tendency. In trying to analyze the limits and possibilities of technology Innis developed a theory of economic growth and development through values which had been absent from his cyclonic model.

While the limits of this approach are pointed out by Wernick, his critique goes too far. Innis' typology should be seen less as rigid characterization and more in terms of a signal for further discussion of emerging technologies. Wernick pays considerable attention to the formal aspects of things in Innis' work as a way of attempting to save modern political economy which has not really progressed much beyond Innis' scholarly period. But Innis' formal work as we have discussed was submerged and

secondary to the main intent. The intent was to recognize the instability of the new world country of Canada in a historical setting of "permanence and continuity."

The future of Canada, if any, lay in its past. Innis then went on to warn that continued ideological and economic hegemony, by the United States produced "conditions which seem fatal to cultural interests." (Innis, 1952, p.1). "We are indeed fighting for our lives", Innis argued in "A Plea for Time" against the "commercial interests" of the United States. His solution was to call for a recovery of the "spirit of the people and of the land" if there was to be any chance of developing an emancipatory framework to combat the hegemony of the United States and the silence of industrial development.

Raymond Williams

In much the same way as Innis, Raymond Williams used life experiences, life problems and expressions of fictionalized and non-fictionalized places as part of his methodology in order to develop "new left" thought in Britain. His cultural regional sensibility was just as acute as that of Innis, however he engaged in non-economic analysis to make his case. As I have pointed out, Williams had never seen economics as the determinate factor in the regional and class-based nature of British society. This assertion had much to do with the realization that he came from a country which was not recognized as culturally

distinct, but rather as simply part of a defacto British national identity. (Zinman, 1984, p.52). It was only when Wales was incorporated into Britain that it assumed a national identity through its perceived "dependency" upon British culture. Gorak writes:

"As a regional intellectual alienated from his own region, he spoke of the term British in the way of his ancestors, as one "not used much, except by people one distrusted" (PL, 26). Much of his career represents a Welshman's examination of an alien British culture, an examination conducted by a man separated, by training and circumstances, from his own native land." (Gorak, 1988, p.6).

Williams, whose father was involved in the whole depression era labour movement, understood his region's dependency through his own experiences and his fellow countrymen. (Gorak, 1988, Ward, 1981, Zinman, 1984). Williams emerged like many Welsh intellectuals, as the intellectual son of a working class family. Like Innis he had to move to progressively larger centres of education to gain a national sense of the dominant social relations and the dominant mode of production. Class distinctions, which historically seem more overt in Britain than elsewhere, led Williams to examine culture and society as centralizing tendencies which "masked" regional consciousness and class-based politics. His analysis of these centralizing tendencies later emerged as discussions of either fictional works or political thought essays, although the differences between these forms of inquiry were usually quite blurred.

Up until Williams' time three major socialist lines of thought were dominant. (Ward, 1981, Gorak, 1988,

Zinman, 1984). There was of course, the traditional Fabian approach which had been developed by George Bernard Shaw and the Webbs, although they did not originate the society. George Bernard Shaw was inspired by such cultural thinkers as Charles Dickens and Matthew Arnold . (Holyrod, 1988, p.131-133, Zinman, 1984). These thinkers felt that social change in British society was occurring in a slow but steady progression of social and political reforms. As literary and educational "engineers" the Fabians favoured a more moral and cultural perspective rather than Marxist structural analysis to meet their objectives. (Holyrod, p.178 ff).

The second line of thought developed around a critique of the rise of industrialization which powered a strong rural "nature-loving" social grouping who equated the blight of urbanism with capitalism. (Leiss, 1972). This romantic line of socialism proposed more organic theories of growth and development as well as the usual redistribution of wealth as the solutions to unreconstructed capitalism. The third line of socialist thought was conventional socialism which looked to the written intellectual leadership of Marx and Engels for social and political guidance.

Williams' own personal experiences led him to eventually embrace Marxism as the mechanism for the type of serious social change which he deemed necessary for Britain. It is also rather easy to understand why socialism had to be rethought in order to develop a more acceptable "new left"

thought for Williams and others of his time. Williams could not have accepted any of three major lines of socialism which I have described above for obvious reasons. Chief among these reasons were his own regional consciousness, his distrust of British culture as "really English culture" and his understanding of rural romanticism as a disguise used to further capitalism by targeting city life as the organic problem instead of capitalism itself.

Historical materialism would become the key by which Williams would address these "inherent weaknesses" of the three major lines of British socialism through the creation of a sociology of culture. (Zinman, 1984, Gorak, 1988). Although developed through the Marxist paradigm of historical materialism, this sociology of culture was fully constituted in the arbitrary fashion of a regionally-based, anti-British society, individual who saw socialism as a means to an end and not as an end in and of itself. Williams used socialism as the practical politics of a culture that needed to be deconstructed in order to "bleed out" all the false consciousness that afflicted the average citizen of an advanced industrial society. Socialism in this sense, needed to have a stronger cultural basis by which one could expose the inner workings of capitalism, beyond the usual Marxist industrial-relations critiques found in Britain. A sociology of culture that went beyond traditional Marxist doctrine while not "surrendering" to the British "disease of nostalgia" for the rural way of life was thus called for.

Williams develops his sociology of culture by drawing on the European intellectual influence of such writers as Lukacs, Gramsci, Goldman and Althusser. As in the case of Innis, Williams' methodology is presented to us as a loose set of working hypotheses in need for further articulation, rather than that of rigid characterizations. (Gorak, 1983, Zinman, 1984). The perspective is as follows: the sociology of culture must be concerned with the social relations of institutions and formations, the specific practices of social organizations as they overlap with social, political, economic, ideological and other dimensions. (Ward, 1981, Gorak, 1988, Zinman, 1984). In this thesis, I am guided by this perspective.

In the area of institutions, Williams identifies a number of the social relations of production. He provides an historical analysis within a cultural setting to examine changing modes of production from feudal times to the present. Two important distinctions are made. Williams points out that there are variable relations between cultural producers and recognizable social institutions on the one hand. On the other, there are variable relations in which cultural producers have organized themselves and their formations. Williams makes the important point that we should not be blind to the fact that while specific relations emerge within a particular set of economic relations, they then do not disappear. The notions of "archaic", "residual", "dominant", and "emergent" are

important to help us understand this problematic in terms of the reproduction of the "life" world. Each one of these notions can exist simultaneously irrespective of the dominant institutional developments. i.e. the artisan relation, an archaic relation, exists with the dominant postmarket relations in present times. (Zinman, 1984).

Within the sociology of culture, Williams identifies an intermediate set of social relations, cultural formations, that lie between the social relations of cultural production at the level of institutions and the actual cultural form, process or product itself. He goes on to trace the early history of such organizations: guilds, academia, exhibitions, professional societies and movements. (Williams, 1981, Zinman, 1984). Here, Williams is interested in trying to uncover the various cultural formations which are internal to various school of thought down through the centuries. This analysis is targeted toward uncovering the internal organization of the particular formation and its proposed and actual relations to the organizations in the same field and to society more generally. The range of formations is wide and includes simple and complex organizations, national or paranational formations. Formational analysis is supposed to bridge the gap between general history and particular associations. Williams uses this analysis to try to articulate the various types of formations and their effects upon the cultural producers. (Williams, 1981, Zinman, 1984, Gorak, 1988).

Formations constitute complex configurations. This is why Williams is only able to point the way to formational analysis and its value to understanding the various types of formations. i.e. the cultural producer is the transmission belt for power and control in our society in terms of the creation of cultural products. In a technologically constituted society such as Canada, the cultural producer has historically worked for quasi-government bodies who provided the audience for the producer in order to create the mythology of Canadian nationalism at the expense of Canadian regionalism. (Jackson, 1990).

From an historical vantage point, Williams examines the close connections between the means of production and the relations of production. The means of production involves both natural human resources as well as technical non-human means. He identifies a number of power relations and some changes over time in the condition of capitalist society. i.e. from feudal times to the present. Williams points to new forms that are emerging and stresses the importance of recognizing the nationality of culture. (Williams, 1981, Zinman, 1984, Gorak, 1988).

Williams examines the social effects of reproductive systems as a way of understanding the effects of various techniques on the scholar, the writer, the artist and producer. He attempts this project through an historical analysis of the variable degree of symmetry between general, social and cultural reproduction. Symmetrical relations

characterize the earliest social reproduction orders while asymmetrical relations denote the changes in feudal and capitalist society where the notions of domination and subordination appear. Williams identifies three major elements of asymmetrical relations (not the only elements) over time.

The first element controls and thus limits the relationship between freedom for the artist and the various modes of control used to limit that freedom in a real sense. Such forms of control as censorship and licensing are discussed. The second element, state and markets, examines the conflicts over newspapers and such issues as official information and obscenity. (Williams, 1980). The tensions here were preceded by those between the state and the church. The third element, reproduced and popular culture, examines the case of writing and printing. (Williams, 1980). Williams tries to show how technology has challenged the role of the elite in our society through the reproduction of popular material for the masses. (Williams, 1980). The effect has been to open up a new and decisive market for the cultural producer and the cultural precedent. (Williams, 1989).

The third major factor thus comes under the broad heading of the more modern technological forms of production. Williams examines how group production has supplanted the role of the individual cultural producer in such relatively new areas as radio, television and cinema.

(Zinman, 1984). He points further to the development of the division of labour inside the new forms of production and to the formation of class division as a result. Interestingly enough, this method of analysis allows Williams to differentiate between such conceptual technologies as broadcasting and recording; something that Innis was not able to do. (Zinman, 1984, p.229).

In his work on television technology, Williams is able to approach the distinction by focusing on the social history of the technology of television; "the social history of its uses and the types of early development." (Zinman, 1984, p.166, Williams, 1989). The means of production thus inform the cultural form directly. This is a bit of an oversimplification but Williams' logical progression of textual analysis and his own activities tend to reflect this perspective. Williams had always tended to stay (with minor concessions) away from the type of anti-humanist perspective which such thinkers as Levi-Strauss, Althusser and Michel Serre favour. (Gorak, 1988, Williams, 1989, Zinman, 1984). This was partly due to his lived experience and also because Williams shares the social philosophy of the Frankfurt school which sought to examine the cultural essence of society by probing the underlying structures and their relations and by way of gradual social transformation to promote effective social emancipation.

The Dominant Ideology Thesis

The concept of a dominant ideology is central to the Innis/Williams cultural perspective because of the notion of a dominant ideology which is strongly evidenced in their work. There is however a strong debate between philosophers, political scientists, sociologists and others as to whether or not the concept of a dominant ideology is an accurate one or even a helpful one to those who consider themselves to be on the left of the political spectrum.

On the one side we have those who see ideology as primarily a "bad dream" of base and superstructure. These more conservative forces take the historical viewpoint that a dominant ideology largely existed for the benefit of ruling classes, while the workers were mainly controlled by economic exigency and force. Nicholas Abercrombie, Stephen Hill and Bryan S. Turner point to the general illiteracy of the mass of the working class, the diffusion of a number of radical reformist themes (Marx, Owens, Morris) and the existence of the labour aristocracy in arguing for the existence of an autonomous working class culture in the period of the British industrial revolution in the 19th century. (Abercrombie et al, 1980).

Terry Eagleton tries to further this case through his work on textual analysis which relate to the same historical period. In chapter four of *Criticism and Ideology* (1976), Eagleton tries to compare the ideological formations of the 19th century as they related to the major literary

works in their "organic" form. Using such writers as Matthew Arnold, George Elliot, Charles Dickens, Joseph Conrad and Henry James, Eagleton traces an ideological pattern which attempted to bring the middle class into an hegemonic formation. Such middle class categories of writing technologies such as the gothic, romance, short story, journalism and other popular entertainments were part of the ideological realism of the 19th century.

An example of an artistic linkage to this particular ideological period is used to good effect with Eagleton's example of Conrad's pessimistic outlook, "a vision of imperialist capitalism." This according to Eagleton, sent the message to the middle class to develop a better historical sense of its petty-bourgeois roots. Eagleton concludes this chapter by critizizing ideologies in this aesthetic region as part of his claim for a scientific knowledge of a literary past.

Anthony Giddens also supports a more conservative approach to ideology in his article, "Four Theses on Ideology" (1983). Giddens joined the debate because "both and the left and the right have greatly exaggerated the degree to which there is an ideological consensus among the majority of people in different classes..." He goes on to implicitly support Abercrombie and Turner's criticisms of such thinkers as Talcott Parsons and Althusser for their "over dependency" on a cohesive dominant ideology as a co-ordinating mechanism of order. Jurgen Habermas is also taken

to task for his concept of legitimation as a fundamental mode of consensual ideology. (Giddens, 1983). Giddens concludes by thoroughly questioning such a prescription.

None of these thinkers however can disprove the notion of a dominant ideology. I would rather concur with Williams, who argued that a sociology of culture must go on as an inquiry and a set of working hypotheses, rather than as a body of demonstrated and verified conclusions. It must be expanded to include the social processes of all cultural production, including those designated as ideologies. Not just the weak version of ideology as a reflex of the commodity truth.

One intriguing concept along these lines is the so-called "degeneracy theme" in industrial society. William Leiss and others have argued that "material progress was won at the expense of a widespread degeneration in mental faculties and the capacity for exercising good judgment in public and private affairs." (Leiss, 1972). One possible residual effect of this part of a dominant ideology may be found in language where certain jargon has grown out of various academic disciplines to describe people as though they were objects. This type of evolving language is part of the everyday practices which contribute to a dominant ideology. It is through these subtle forms of ideological reproduction that Western Canadian society has been able to undergo sharp economic upheavals in a relatively short historical period without more serious social fragmentation.

More than economic exigencies and force were necessary to maintain social order. Incorporation of a dominant ideology was needed more than ever as part of the tactical conveniences of the social system (Foucault) as the primary methodology for a coordinating social mechanism.

It is with the Innis/Williams perspective that the notion of a dominant ideology is brought forward in a powerful way through the linkage of hegemony. The traditional notion of hegemony invokes a picture of leadership of one nation over others. Marx, in his writings, built upon this definition to better explain relationships between social classes, and to further definitions of what he referred to as the "ruling class." The concept acquired a more specific meaning with the work of Antonio Gramsci, who was able to make a distinction between "rule" and hegemony. Rule, for Gramsci, was expressed in directly political forms and in times of crisis by direct or effective coercion. Hegemony represents a normal situation with a complex interlocking of political, social and cultural forces to a point where, as Gramsci pointed out, "they even constitute the substance and limit of common sense for most people under its sway." He went on to argue, in The Prison Notebooks (1971), that this deeper understanding of the concept of hegemony corresponded to the reality of social experience much more clearly than any notions derived from the scientific Marxist formula of base and superstructure. This notion of hegemony as deeply saturating the way people

think in a society seems to me to be fundamental. Because despite that we can engage in the process of deconstructing ideological hegemony and I intend to do this in this thesis.

Williams has made extensive use of hegemony as a evolving concept in an attempt to redefine and save contemporary Marxism from the attack of French post-structuralist theorists and others. At the same time however, he has also fought a "rear guard action" from traditional Marxist theorists who rely on fundamentalist readings of Marx to guide their thoughts and actions. In being able to intellectually "walk" between these two competing camps, Williams reshaped Gramsci's analysis to try to argue that hegemony was not singular; it could be continually challenged and in certain respects modified if it was to remain the effective dominant culture. Williams' version of hegemony can also be resisted, limited, altered, challenged and reshaped by pressures not part of the hegemonic system. Eventually however, these are absorbed by the hegemonic forces. The result is that meanings and values, different opinions and attitudes, and even some divergent senses of the world, are to a certain extent "encouraged" and tolerated within a particular strong and dominant culture.

But what about a perceived weaker national culture such as Canada? Can one really speak of a dominant ideology within the Canadian context? It is my contention that a dominant ideology does exist in Canada and that it has had

tremendous implications for Western Canadian political economy at a number of different levels of analysis. The major difference in Canada in comparison to the European approach to ideology is that our dominant ideological formations (in the sense that Williams uses ideological formations as part of his sociology of culture) are constructed differently. The effects however are similar to the European case and profoundly hegemonic in character.

It is thus important to examine the dominant ideology thesis which I argue is a fundamental basis for the Innis/Williams cultural perspective because of the obvious implications for the Canadian case. As part of her Ph.D. study on Raymond Williams, Rosalind Zinman makes the following important observations while "touching on" Canada. She writes:

"If for example, we examine the power of the ruling bloc in Canadian society even at the surface level, the hegemony of the traditional ruling elite appears weakened by sharp socio-political divisions: the colonial and continentalist pulls, the centre and the regions, economically, a developed centre and underdeveloped regions, French and English, to some degree, Catholic and Protestant, Charter and Aboriginal groups, Charter and Immigrant groups, and we could go on. If we take the criteria of a strong national community, then it appears that the ideological bonding between the elites and the rest of the population has been weaker than in the United States or in Britain. But effective ideological bonding must be present. By and large, the economic and political structures are not challenged. Many inequities persist. For example, there remains a lack of representation in the ruling bloc, of women, native peoples and immigrants. The sense of a "nationalist spirit" is constantly being torn apart by these sharp fragments. There appears to be a lack of cohesion; a lack of total, static, autocratic hegemony. But then, are class and power relations--the crux of ideological hegemony --operative? (Zinman, 1984, p.229).

Zinman answers her own question by referring to Williams use of ideological hegemony as a combination of the most powerful state institutions such as government, bureaucracy, business and culture. (Ibid). What should also be emphasized however is the dual nature of ideological hegemony in terms of external factors as well as internal factors. As I have pointed out, hegemony in its original sense meant the leadership of one nation or region over another. In the North American context this refers to the domination of the United States over Canada. Within the Canadian case it means the domination of specific regions over others. The mix of dominant ideological "ingredients" is quite different from the standard European case as Zinman points out, but the methodology is still quite useful. It is simply that ideological hegemony exists at a number of different levels of analysis and this fact further complicates the intellectual constructs of a Gramsci or a Williams. However if one adds the work of Harold Innis to that of Raymond Williams in order to develop a cultural school of thought, ideological hegemony is better understood and explored as a result.

As I have discussed, Innis' interdisciplinary perspective had the effect of uncovering Canadian dependency in a most profound way by linking communications technology, Canadian history and political economy to "pull back Canada's skin" and reveal the anonymous fate of a Canadian culture trapped within the ideological hegemony of the

American empire. The ideological hegemony of the American empire has taken on new forms since Innis' period of writing. But the political lesson of "mechanized communication" as American instruments of power and the conceptualization of fully "space oriented" society makes Innis' work just as relevant today as when as it was written. There is no need to systematize it. Rather one should use Innis' work as a timely warning and as a loose methodology for artistic analysis. It is much the same for Williams' sociology of culture and the development of "new left" thought in Britain. It would be folly to extract from either of these writers, a "blueprint" by which to effect radical social change. Culture and Society and A Strategy of Culture are not biblical readings for Marxists and others but intensely felt personal statements that summarize a cultural school of thought that has had tremendous influence over succeeding generations of thinkers.

It is within this context that I will examine the shaping of Western Canadian culture through a powerful sense of populism and regional consciousness that informs Canadian culture and society. I will not try to systematize the Innis/Williams perspective into theories or even categories as such. Rather, one can use their insights to develop an interdisciplinary study of economic, political and even artistic perspectives which make use of the concepts of ideology, hegemony, dependency, regional consciousness, structuralism, and art in a critical Innis/Williams fashion.

CHAPTER THREE

CULTURAL HEGEMONY AND THE POLITICAL ECONOMY OF THE WESTERN TRANSPORTATION INITIATIVE.

"At the slow turning point of a culture like my own, in the very cultures that are the rich expressions of this lived and now dying order, our feelings are necessarily more intricate and more involved...In our relations with others...we have been more effectively incorporated into the deepest structures of this now dying order than it was ever, while it was strong, our habit to think or even suspect."

Raymond Williams in

Jan Gorak, The Alien Mind of Raymond Williams
(1988).

The purpose of this chapter is to begin an exploration of the linkages between the Innis/Williams cultural project and certain economic case studies which have become part and parcel of the Western Canadian experience. Essentially the following will be a critical rethinking of the legacy of the British cultural nationalists with the intention of applying their analysis of contemporary cultural formations to the Canadian case.

Dependency Paradigms

In trying to understand the development of mainstream socio-economic thought in this country, three "radical" dependency paradigms must be considered. The first paradigm revolves around the work of such Canadian neo-Marxists as David Wolfe, Leo Panitch and Daniel Drache. In attempting to save contemporary Marxism from the attack of the French post-structuralists, these thinkers have tried to keep alive the notion of an objective contradiction for an overall emancipatory framework. Having some sense of

dialectics they have focused their attention on order, consensus and locale. Specifically, they are interested in the articulation of the dominant mode of production, capitalism with the hinterland regions of the Canadian social formation. A structuralist methodology is particularly useful for this purpose. It begins with a step by step procedure and combines this with the integration of concrete materials to develop a better understanding of the problematic. Structuralism supposedly allows for the national peculiarities and national organizations which are germane to the Canadian case. Though other countries hold much in common with the dominant mode of production, each is differentially articulated within that mode, and so then is the internal organization of settlements and activities therein. The proponents of structuralism conclude that Canada exhibits a peculiar combination of mercantile and industrial capital (the original strategy of accumulation) which has a particular relevance for this type of analysis. Not much of this type of analysis is really being done in the 1990s in terms of the amount of sophistication that is required and because of a second dependency paradigm, staple theory.

Staple theory represents an attempt to understand economic and political development as a series of resource case-studies which can be interpreted through a theory of growth and state control. This theory is used as a counter weight to the work of mainstream economists who are obsessed

with econometric modeling. Speaking the language of "geographical isolation," "relative lateness of settlement" and "natural market forces," some economists try to remove the decisions of people and classes from the equation. (Norrie, 1983, p.212) The staple theory paradigm tries to explore the productive forces associated with capitalism by examining the social relations of production and the practices of organizations (the struggle between competitive and monopoly forms of capital) as they overlap with social, political and economic dimensions. Innis, as the premier staple theorist in Canada, lies at the center of one of the intellectual controversies among the three dependency paradigms.

His work has been interpreted alternatively, as conservative, liberal, and marxist according to whatever books are read. Arthur Kroker has provided an interesting interpretation of Innis' work in the light of a postmodern approach to dependency paradigms. The postmodern perspective is in part a response to the failures of the 1960s as an era which was supposed to go beyond the prevailing orthodoxies and offer instead new fragmented frameworks of analysis. It is also a continuation in large part of the work that was begun by such thinkers as Walter Benjamin, Max Horkheimer and T.W. Adorno members of the so-called Frankfurt school of thought. The writers of the Frankfurt school tried to understand advances in contemporary capitalism as a way of deflating the authoritarian certainties of the scientific

Marxists of the second and third internationals, as well as looking for social transformation agents and explaining the rise of fascism.

The work ranged from classical textual analysis to an attempt to create a 20th century agenda of aesthetic politics from the aim of developing a simultaneously self-creative and productive work. In other words, to be self-expressive and politically motivated at the same time and place. This is what the postmodern dependency paradigm seems to be all about. The goal of the postmodern project (if I can generalize about such a divergent body of work) is to create centers of resistance to power through a thorough analysis of the changes that have taken place in the transition of class to mass society and the technological advances that have reflected these changes. (Chorney, 1990).

Some Marxist dependency theorists have argued that postmodernism represents an attempt to reach back to pre-Marxist positions in order to try to explain the current intellectual state of society. Such a project had already been conceived in failure at the tail end of the 19th century. Proponents of postmodernism argue that dependency can never really be understood in this country by holding on to tired mechanistic theories or by being trapped within the increasing empiricism of disciplines such as economics, political science, sociology and communications. The postmodern perspective purports to go beyond the problem to provide an interdisciplinary analysis of the subject through

the use of a twisting of language in order to break down the readers' cultural barriers. And while postmodernism has some obvious defects, including occasional obscurantist excesses, it nevertheless offers some intriguing insights. It is from this perspective that I intend to borrow some of the insights and combine them with more traditional cultural critiques of writers such as Harold Innis and Raymond Williams to explore certain Canadian questions.

A case in point is that of the "Crow Rates" freight rate history which has been treated in Western Canada as a part of a critical creed of regional discontent. By this, I mean that the issue of the "Crow Rates" embodies a socially shared, generated, and transmitted set of interrelated beliefs, with a recognized history and constituency and with recognized spokespeople and carriers of the creed. One might ask what culture has to do with something as pedestrian as a freight rates arrangement which has changed significantly throughout its existence. (Munro, 1988). The answer can only be understood by examining the "Western Canadian mind."

The cultural significance of economic cultures such as the "Crow Rates" has been obscured by the federal government in an attempt to homogenize Canadians through the use of space-binding and space-annihilating technologies. This has not gone unnoticed in the Prairies because of the very vocal opposition to many numerous federal public policy initiatives of the past. The response by the federal

government has been to turn to technocratic solutions. "The Western Transportation Initiative" was a powerful example of this tendency. Rather than examining the historical underdevelopment of the West as the fate of an economic hinterland, the blame for the absence of secondary manufacturing and the deterioration of the railway system was placed at the feet of the people themselves. More importantly, this initiative represented at least an implicit attempt to cut across class-lines in the West as a way of assimilating cultural differences.

How does one deal with such a strategy? I feel that the model of technology and culture (hegemonic ideology versus emergent cultural practices) provided by the Innis/Williams tradition is one possible avenue of response. This tradition analyses the social and cultural impact of technology and in so doing, provides a greater insight into episodes such as the "Crow Rates" and the nature of the socio-economic system.

Cultural Factors

The prairies are part of a national, artificially created culture. By this I mean, a state-created culture with a configuration of elements which are not part of the everyday experiences of the Western Canadian population. This is not by itself, a uniquely Canadian phenomenon. Many of the countries in the Middle East, Africa and Asia were literally drawn up on the blackboard by colonial powers

without regard to the local populations. What differentiates Canada however, is that it has many of the qualities of an underdeveloped economy with the cultural trappings of an advanced industrialized society. Indeed, in the short history of this country there has been a conspicuous lack of common experiences among Canadians outside of media events. And even the use of media as a centralizing factor in the development of the Canadian state has had mixed results. For while the Canadian Government displayed an early willingness to develop and regulate state run institutions such as the C.B.C., media events are now for the most part controlled by corporate capital as well as government. (Vipond, 1990). Instead we have become dependent upon a powerful set of mythologies to give us a sense of time and space. Howard Fink and John Jackson's work on early Canadian radio dramas, (i.e. All The Bright Company, 1987) provides an excellent example of the mythological transmission of Canadian heroic folklore. Many of the writers and producers of the radio dramas were Western Canadians who believed in the creation of a national media culture as a unifying force within a regional context. The perceived failure of this project is a powerful testament to the realities and limits of Canadian culture. This understanding fits in rather well with a country that is territorially-obsessed, technologically-inspired and socially retarded. (Charland, 1985). Innis's work is a clear demonstration of this world view. His attempt to develop a critical perspective on the nature of

resource-led staple development provided a powerful counterpoint to the romance of Canadian regional expressionism. This counterpoint was subsequently blunted and a new mythological aspect of Canadian regionalism was created.

Official mythologies are present in many cultures. Many countries embellish one or two specific periods of their histories, in order to justify and give meaning to their present and to give a purpose to their future. This habit may be useful or ornamental to great, old solid nations. It is however extremely important to a more recent and ramshackle one such as Canada.

In Canada this method of cultural reproduction has been very well understood and practiced. Some of the leading "cultural nationalists" have immortalized specific myths through various media. They have been so successful that some intellectuals have defined their romantic distortions as well-meaning and even necessary for Canadian cultural activity. Resurfacing in 1989 during the Free Trade debate as "The Committee of Concerned Canadians," they have issued statements suggesting an enormous lack of faith in Canadian culture. Apparently on the assumption that more of this work is needed at this time of "crisis," they will attempt an essentially bureaucratic response to a societal challenge. (Globe & Mail, 1988, p.4 & 5) This, as Habermas has pointed out, is an essential characteristic of a late capitalist society, a mediation between monopolistic special interest

groups fighting over government-defined scarce resources. Such interest group "radicalism" will always fit within the official discourse in accordance with their government subsidies.

One may ask at this point what this cultural analysis has to do with something as mundane as a history of the "Crow Nest Pass" freight rate agreements in Western Canada. What I am suggesting is that the theoretical framework of the Innis/Williams tradition provides a powerful intellectual stimulus to classical staple studies such as the "Crow Rates" in order to develop an understanding of the role that certain economic cultures have played in Western Canadian political hegemony.

In this kind of linkage between economy and culture, it is also important to point out that the history of the "Crow Rates" aptly mirrors the formation of the Innis/Williams framework in the transition from the history of staples to the history of the media of communication as a logical thought progression. After all media, as McLuhan has pointed out, are major resources like economic staples. Without them our economic system would not exist. The technological innovations of the media have profoundly influenced Western civilization so deeply, that they have limited the ways in which people even think of certain things. (Williams, 1977, p.109). For Antonio Gramsci this meant a series of reflections on the notion of hegemony as more than just an identification of country or empire

domination. In the context of the church sponsored and media driven Italian fascist project of the 1930's, Mussolini's ideology was so all intrusive culturally, politically and socially that it became hegemonic in character. After Gramsci, hegemony would be understood as an aesthetic project encompassing paradigmatic thought in relation to the everyday structures of human existence in advanced industrialized societies.

This realization allowed Williams to redefine Gramsci's concept of ideological hegemony because of his understanding that certain gaps had been created in the loss of the West's collective memory. He was able to do this by studying the effects of technological domination on groups considered peripheral to the cultural reproduction of industrialized society. It is not I think, a distortion to place the fate of the heterogeneous community that exists in Western Canada within that category. The active participation of these people has been historically discouraged by a central government as the moanings of a simple-minded population. i.e technologically backward. Examples range from the Red River Rebellions to the CCF and Social Credit programs. (Francis and Palmer, 1985). Western Canadian history is strewn with powerful examples of regional economic alienation such as the "Crow Rates" which have convinced Westerners that they are a colonized region at the beck and call of "Eastern Interests." The current federal government personifies this perception with

decisions such as the awarding of a military jet contract to Quebec rather than to the lower bidder in Manitoba.

(Campbell, 1989). Western Canada was outraged by that decision not only because of the immediate benefits but also in relation to the technology benefits that would have perhaps led to more diversification for the Western economy.

In this sense Westerners share a sense of powerlessness in regard to industrialization and technological dependency. It is not a unique societal position. Rarely are we told why certain forms of technology are chosen over others. We are simply instructed to accept the politics of technological necessity without question. This has led to a profound sense of fatalism among Canadians in understanding how to affect technological change. After all no one wants to be left behind with their region a mere Pasture Land. "Thus the technological rationale is the rationale of domination itself." (Horkheimer and Adorno, 1969, p.121). This rationale has forced Western Canada into a position of technological dependence not only in terms of material goods but on the intellectual assumptions that have guided them in a pre-set direction. Its first component was the C.P.R. "which enmeshed Western Canada in a series of power networks." As Innis has pointed out:

"the history of the C.P.R. is primarily the history of the spread of western civilization over the northern half of the North American continent. Through the C.P.R. Western territories became integrated into the economic and political systems which had developed in Eastern Canada." (Innis, 1971, p.132).

Its byword became economic development. Because of this distortion, the West has been unable for the most part to appraise problems in "terms of space and time to enable them to take the proper steps at the right time." Short-term micro/exploitation projects have overtaken them in a historical pattern (the fur trade, the gold rush, the farm movement, the mineral movement) and space has unbalanced time. Innis's description of culture, "something which we have that others have not" is an apt picture of Canada's ambiguity. (Innis, 1971, p.132). We really don't know what we are but we don't want to lose it because it may make us different from others. This ambiguity has powerful implications for the emergence of small but powerful counter-cultures within the system.

It is at this point where a discourse analysis on the "Crow Rates" becomes useful to analyze the gap within the ideological hegemony of the central government. The "Crow Rates" are one example where Canadian farmers have been able to balance time and space to an extent in planning their future. For the development of Western Canada has depended on economical and efficient rail transportation for the movement of people, their effects and equipment, and of manufactured goods to the West and the transport of grains to ports. (Chodos, 1973; Darling, 1980). The "Crow Rates" served as a primary economic mechanism to support early and later Western development. At the same time however, the "Crow Rates" also became part of a larger cultural

nationalist project designed around the theme of technological nationalism. Lastly as a kind of "side benefit," in exchange for providing the Canadian Pacific Railway with the access to tap the mineral rich valley's of Southeastern British Columbia, farmers were able to receive a reduction on freight rates in regard to certain specified commodities between Eastern and Western Canada. Thus the development of the "Crow Rates" was deeply ingrained in Western Canadian consciousness as well as in the economy.

The Crow Rates

Let us now turn to each of the "Crow Rate" attributes mentioned above. My analysis covers the period from the inception of the "Crow Rates" in 1897 until the mid 1980s. My objective is not so much to write a comprehensive history of this policy problem as to use it to illustrate my argument about the relevance of culture and hegemony to understanding Western regional consciousness. The "Crow Rates" began when the C.P.R. contemplated a 300 mile rail link from Lethbridge, through the Crow's Nest Pass into coal and mineral rich southwest British Columbia. (Fairburn, 1985, pp.220-232). The C.P.R. has always been one of the most important business actors in Western Canada because of the economic and political power that it wields. The C.P.R.'s corporate empire consists of hotels, real estate, industry, ships and airplanes." (Chodos, 1973, pp.117-131).

The difference is that the C.P.R. has also become part of a nationalist myth based upon the underdeveloped nature of the Western economy which allowed for the corporate domination of a large region by a select group of corporations.

(Chodos, 1973, pp.117-131). Not to be forgotten is the fact that the railway linked the West to the East. In the 19th century this was an extraordinary event. The result was the formation of a corporate/state mythology which became an essential part of the C.P.R./"Crow Rates" mythology.

(Chodos, 1973, pp.117-131). As Vernon Fowke has argued, "the [Crow Rate] agreement has never been a farm subsidy; on the contrary, it was designed to stimulate settlement and the production of exports for the benefit of the commercial interest in central Canada." (Fowke, 1968, p.216). In contrast to later statements, the freight rate reductions were not so onerous on the C.P.R. that they could not be reduced a further ten percent below the Crow level in 1903, and remain there for fifteen years. Thus, when viewed in the context of the considerable benefits that the C.P.R. got from the Crow's Nest Pass deal, the rate concessions it made have an impressive weight of economic logic on their side. (Fowke, 1968).

With the Crowsnest Pass Act and the subsequent agreement with the Canadian Pacific Rail in 1927, the Board of Railway Commissioners extended the Crowsnest Pass rate level to Prairie grain and flour exported through Vancouver and Prince Rupert by rail. In 1931, the statutory rate was

applied to grain shipped to Churchill, Manitoba. Also in the period 1927 to 1945 various actions were taken to extend the statutory rate to cover products of the milling, distilling and brewing industries, as well as feed grain products. In 1961, the statutory rate was applied to rape-seed, the only addition added by statute as previous additions were made by the Board of Railway Commissioners. Finally, in 1967 the National Transportation Act amended the Railway Act to make statutory the existence of the rate to all exports of Prairie grain and flour. (Laskin, 1983, p.17).

Initial statutory provisions introduced to replace the Crow Rates provided for considerably more delivery points at which the rates applied than was originally the case., 1,245 in 1982 versus 289 in 1987. Correspondingly, many more miles of rail line are now included.

In 1927, the Board of Railway Commissioners extended the Crowsnest Pass rate level to Prairie grain and flour exported through Vancouver and Prince Rupert by rail. In 1931, the statutory rate was applied to grain shipped to Churchill, Manitoba. Also in the period 1927 to 1945 various actions were taken to extend the statutory rate to cover products of the milling, distilling and brewing industries, as well as feed grain products. In 1961, the statutory rate was applied to rape-seed, the only addition added by statute as previous additions were made by the Board of Railway Commissioners. Finally, in 1967 the National Transportation Act amended the Railway Act to make

statutory the existence of the rate to all exports of Prairie grain and flour. (Laskin, 1983, p. 18).

This chronology of events demonstrates that the rates imposed originally by contract in 1897, and made statutory in 1925, had been extended through the years to the 1983-1984 period. Although the statutory rates were not initially specifically intended to provide transportation subsidies to grain producers, they reflect the concern of the Western producers and the Federal Government over the role of grain freight rates in the development of the Western economy. During this period and continuing, the development of alternative modes of transportation and particularly highways, the use of automobiles and aircraft have made many of the branch lines increasingly grain-dependent. As traffic has been switched to other modes, "the cost/revenue situation of the railways has been changed as it relates to grain." (Laskin, 1983, p.18). However, the Prairie branch line system remained largely dependent on grain for the bulk of its traffic.

The 1960's were characterized by the entrance of the Soviet Union as a major grain buyer. This helped strengthen prices and greater demands were placed on our grain handling and transportation system. By the end of the decade evidence began to emerge that the system lacked the capacity to serve the increasing demands being placed on it.

The railways claimed that they were taking losses on the handling of statutory grain and on the operation of

branch lines. In 1961, the MacPherson Royal Commission on Transportation found these claims to be valid. It recommended that "if Parliament decided there was a national obligation to maintain the statutory rates, the railways should be directly compensated for losses incurred by payment of a general subsidy." (Waddell, 1983, p.24). More importantly, it did not agree that assets and earnings of the railway companies in business other than transportation should be taken into account in setting freight rates. The recommendation for a general subsidy was not acted upon by government.

The National Transportation Act (N.A.T.) of 1967 implemented many of the recommendations of the MacPherson Commission. For instance, the Commission had recommended that the railways be allowed to abandon branch lines. The Act did provide for the payment of a subsidy for the operation of uneconomic branch lines when application for abandonment was rejected in the public interest. The Act however did not provide for compensation to the railways for losses on statutory grain movement as recommended by MacPherson. (Waddell, 1983, p.25).

The railways applied for permission to abandon a large number of lines and although they were turned down on many occasions, the subsidy program was not sufficient to prevent further deterioration of many of the branch lines. During this period the railways invested very little in the branch line system and in the grain car fleet. Many of the

branch lines deteriorated to the point where many lines became virtually unusable.

At the same time wheat exports in Canada exceeded 27 million tonnes at the beginning of the 1970/71 crop year. Renewed and large volume purchases by the Soviet Union and crop failure in other countries increased the demand for Canadian grain and drove prices to record levels. Production increased and exports reached a record level of 30.5 million tonnes in 1972/73 with large volumes going to the Soviet Union and China.

A number of difficulties in the grain handling and transportation system increased despite continuing efforts to co-ordinate movements. For example, the block shipping system, through an improvement over previous methods, managed to take only 40% of grain under the plan. It took 11 to 12 weeks in some instances, rather than the planned 6 weeks to fill orders. The system failed to get the right grain to the right place at the same time. (Laskin, 1983, p.19).

The size of the box car fleet declined from 34,000 in 1969 to 12,560 in 1980. The fleet was old and the attrition rate was high. The branch line system continued to deteriorate. (Laskin, 1983, p.19). The railways had shown no interest in upgrading grain rolling stock or branch lines since the early 1960's. Train speeds were reduced and efficiency further declined at a time when export volumes

were expanding and prices were more favourable than they had been for years.

Road improvements, the greater use of trucks, the creation of throughput elevators and the abandonment of branch lines created pressures to consolidate facilities in order to improve operating efficiencies.

Lost sales were estimated at \$400-600 million in 1977/78 and at 600 million in 1978/79. Only low volumes of other railway traffic and the purchase of several thousand hopper cars by the Federal Government permitted the railways to move record volumes of grain. (Waddell, 1983, p.26). (Alberta also added hopper cars to the system via the Heritage Fund).

As grain inventories were reduced from the high level of 1970, world market prices not only rose but reflected actual farm costs. Livestock feeders and grain processors in the West who provide an important market for Prairie grain had been paying relatively low prices in circumstances of limited markets and low delivery quotas. Farmgate prices increased sharply with world market prices and the fixed statutory freight rates were fully reflected in local prices. These rates tended to discourage the feeding and processing of Prairie grain within the region. For similar reasons, the production of crops not covered by statutory rates was also discouraged. Recognizing the seriousness of problems in the system the Federal Government took a number of steps to try to cope with them. Several

studies were commissioned to review the operation of the system.

One of the most important and controversial in terms of settling the stage for the "Western Grain Transportation Initiative," was a study undertaken by U.S. economist Carl Snavely who reviewed the 1974 railway costs of transporting grain. In this, the first of three reports on losses incurred in handling grains, he claims the railways lost \$105.5 million transporting grain in 1974. The results of the study were later updated for 1977 and 1980 and showed substantial increases in the amounts of losses. (Snavely, 1980, p.22).

However, the decision to get rid of the "Crow" by the C.P.R. had more to do with the changing hegemonic nature of the capitalist economy than any drain on corporate profits. There had been a number of economic changes in the 20th century that have made companies such as the C.P.R. less accountable to the doctrine of a national policy. The era of wide-open capitalism, where the emphasis was upon unregulated entrepreneurs never really existed in this country. (Chodos, 1973). Rather the concept of the family compact has dominated most of our economic history with the aid of American managerial assistance and governmental coordination. (Myers, 1972).

As Daniel Drache has pointed out, "if you did not have government intervention in this country, you would not have employment." (Drache, 1984). This is only somewhat of

an exaggeration. Nineteenth-century businessmen were either friends or relatives of the government (or members of it), who were able to obtain railway charters from the legislature and societies' grants to go along with it. (Chodbos, 1973; Myers, 1972)

This economic role for government has kept businessmen and "free market" strategists insulated from the hard realities of capitalism as John Porter, Paul Pross, Reg Whittaker and Wallace Clement have demonstrated. Real competition has remained still born for the most part because of a class that talks publicly of laissez-faire economics while lobbying for as many government financial incentives as they can get. Although actual monopolies have emerged in only a few industries, product differentiation rather than product differences remain the order of the day. The result is that whole sectors of economic life are dominated by this state dependent business class, notwithstanding the recent popularity of a "laissez-faire" mythology.

"Diversification had become the key for the C.P.R. in the 1920s, and each section of the emerging empire was isolated to determine how profitable it could be made." The "Crow Rates" were thus seen as a weak-profit making link in the empire and the rate reduction ceiling could be lifted. (Monro, 1988, p.94). If one is charitable, one might say that the C.P.R. behaved as if it did not understand the profound changes that occurred in the West as a result of

the wheat economy. Another possibility is that they did not care about the consequences of their actions. As Innis has pointed out:

"A community which emerged from a background of rapid growth of international industrialism has been faced with the effects of rapid emergence of national industrialism. It has been concerned with a commodity essential to international industrialism and a commodity which has responded quickly to national industrialism. The population of Western Canada dependent now on wheat production has been compelled to submit to the effects of fundamental cultural readjustments in Western civilization as well as the effects of variations in seasons." (Innis, 1969, p.274)

A coalition of farmers and townspeople began to form around the "Crow Rates" as a centre of stability within wildly fluctuating grain markets. (Monro, 1988, p.94). It may safely be assumed that for organized group protest to occur there must be a period of prolonged economic deprivation. For prairie farmers this has always been linked to problems of income security in terms of widely fluctuating grain market prices. Given this, there must also be some means of communication among those who are subject to deprivation in order that solidarity will form. Geographical factors hindered the installation of a mechanized communication system in the West. But agrarian problems were constantly aired in widely circulated farm journals such as the Grain Grower's Guide. Political ideas were also promoted through the co-operative associations and grain grower's struggles in the middle nineteen-twenties. (Monro, 1988).

The oral tradition has essentially been a powerful one in Western Canada. This has allowed episodes such as the "Crow Rates" to become part of the cultural mythology in Western Canada. As a result, certain groups within Western Canadian "society" have woven an almost irrational hostility toward the C.P.R. as part of that oral tradition. It was this hostility that helped Westerners in the dissemination of information about the "Crow Rates" in order to gain a certain perspective. It was also recognized that such kinds of cultural activity could become an "index of power." From 1910 on, the farmers in the West began a series of marches on Parliament to pressure the government for federally-owned grain terminal elevators at the Lakehead, a railway to Hudson Bay, and tariff reductions. Farmers were not yet a minority to be blocked with iron fences and security guards. "They were a majority of the Western population and agriculture was still the foundation of all things economic." (Fairburn, 1984, p.5) This political action had two eventual outcomes: the legislation of 1925 which prescribed a statutory stabilization of freight rates binding on all railways, and the creation of farmer controlled wheat pools that allowed a certain "coming to grips" with technological change.

With the rates no longer a transitory phenomenon, and the farm community exercising some degree of control over the production process, the C.P.R. could no longer rely solely on the hegemonic imagery of the public-spirited

corporation (i.e. the issue was quickly picked-up by politicians seeking electoral support). A new means of communication was called for. This was not particularly difficult, because the C.P.R. "had always been able to supplement its own considerable resources by an unparalleled degree of access to the resources of an even larger entity - - the Government of Canada." (Chodos, 1973, p.10). This access ranged from millions of dollars in federal subsidies to influencing government policy in the wide areas affecting the company. (Myers, 1972). The subsidies did not come at the C.P.R.'s bidding as much as the federal government had tried to make it dependent upon them. A number of C.P.R. presidents had declared themselves opposed to subsidies on the grounds that they should run the railway the way they liked. But because of the political and economic development of Canada, the C.P.R. was and is an integral cog in the maintenance of the national communications network as well as the national economy. Thus the solution in this incestuous relationship (a private corporation as an instrument of technological nationalism), was to reduce the political pressure on the government by convincing Canadians that train service was obsolete generally, and that the farmers were "welfare bums" specifically. (Chodos, 1973; Charland, 1985).

In the post second world war period a new component was added to the Crow "mix", comprised of a series of Royal Commissions and subsequent reports which were

created to deal with a variety of tasks. At the simplest level, Royal Commissions have performed the well-recognized safety function so common in Canada with potentially difficult political problems. The Commissions were used to try to wear down short-term political pressures with economic and technocratic sophistry designed to develop an atmosphere of stagnation and boredom around a particular issue.

A second purpose was to try to confine the Crow Rate issue to one single economic problem: the labyrinthine world of railway cost-accounting. i.e. a battle between economists and accountants. At the highest level the "Crow Rates" commissions were a case study in advertising technology in the marketing of an idea, "Death by dieselization." (Cottrell, 1951, p.358). It was ultimately hoped that through a period of public relations, the people of the West would accept the dictum of the "law of supply and demand." This involved trying to bring the wheat economy under the discipline of selective free enterprise economies, where the burden would be placed on the producers instead of the carrier.

What was not taken into account in the formation of the commissions was the public exposure of the issue. That which is presented in a royal commission on an issue of such strong ideological content tends to differ greatly from what might be written in a newspaper or said in the House of Commons. As a result of the struggles in the twenties,

people had formed a strong opinion that not only were the freight rates of the greatest importance but also that the rate structures combined to contain many basic injustices to Western Canada. (Fairburn, 1984, pp.220-232). The report of the Turgeon Commission (1951) recommended equalization (making costs the same across the country). From that point on the C.P.R. lost the initiative to the public clamor, which ensured that the freight rates would remain the focal point of regional dissatisfaction for some years to come. (Chodos, 1973, pp.59-72).

This lack of perception led to what McLuhan would call a "dead area" in the reception of data from the outside world. Both the federal government and the C.P.R. felt they could disguise the issue by simply examining the peripheral economic factors. In the freight rate issue, the reverse occurred. Social, political and psychological discontents adopted an economic guise to explain themselves. But the Government and the C.P.R. were not tuned to the wavelength and did not pick-up the signal until the beginning of the 1980's. The "Crow Rates" became, then symptomatic of Western Canadian alienation.

In the interim however, a new configuration of elements worked to unsettle the historical, cultural and psychological assumptions behind the "Crow Rate" solidarity. These elements revolved around the crystallization of an oil-induced class which was bureaucratic and secular by nature. Centered in Alberta but linked through staple-

discoveries in Saskatchewan and British Columbia, it had little in common with the old farm/ranch elite and its religious sensibility. The common ground for both classes was the sense of collective memory drawn from the 1930's. The economic background of the new technocrats (such as Peter Lougheed) had much to do with the trials and tribulations their families had suffered through during the depression era. (Pratt and Richards, 1979, p.155). The root causes for the depression were linked to one economic theme: the dependence on an agriculturally-based economy. Thus the rationale for the changes that took place in the 1960's revolved around the supposed diversification of the Western economy. (Pratt and Richards, 1979, p.158).

Western diversification has always been the "Holy Grail" of prairie political and economic objectives and with a transference of staple dependency a particular societal attitude could be identified. As an example "one could compose an account of the "great transition" predicated upon Henry Kelsey's remark that the only vastness of the prairies was that of economic opportunity, but that would be an oversimplification." (Hall, 1976, p.88). A more powerful understanding could be found in Douglas Hall's analysis of changing attitudes to nature at large in the modern western tradition, and especially by his reminder of Nietzsche's famous dictum: "When man has nothing left to will, he will will...nothing." (Hall, 1976, p.88). Simply put, a individually-based social system built on narcissistic

insecurities of interest against interest has lost the ability to judge value. The value of the exterior physical landscape will thus diminish and perhaps disappear in relation to the stylistically-seduced human mindset. So even if the West has not been able to diversify because of various political and social constraints, one can at least adhere to the linguistic and spiritual pretext that the concept of diversification is alive and well. Nietzsche probably would add that the pursuit of such happiness leads evermore insistently toward decline.

The election of 1967 in Alberta between the rural Social Credit and the urban Progressive Conservatives in Alberta can be seen as one focal point for this changing of attitudes toward nature. (Pratt and Richards, 1979). It marked the end of the radio fundamentalist communicating movement with the Kennedy-induced imagery of the video era. By extension, the economic future was also up for sale. During the election campaign, Social Credit argued that a Progressive Conservative Government could get along without taxing authority and thus might be unresponsive to the people. The Progressive Conservatives countered that the danger of economic specialization and the need to diversify away from an agriculturally-based economy must be made as quickly as possible, even if such a transition implied a very great reliance on foreign capital. As one official put it succinctly, "I don't give a damn who owns the economy as

long as we have the power to tax, because whoever has the power calls the tune. (Pratt and Richards, 1979, p.158).

Despite such wishful thinking the eventual outcome of this shift in staple reliance manifested itself most clearly in what has been referred to as province-building. By this I mean the determination to create an atmosphere of confrontation with the federal government through which the province would become the main beneficiary in the development of an industrial sector. In essence we have the growth of what Weber referred to as "the spirit of capitalism" among Alberta's new business classes-with one important qualification. (Pratt and Richards, 1979). Had staple-led industrialization occurred? The answer seemed to be a qualified no. The new mineral discoveries had essentially become secondary export staples in addition to the already existing ones. Thus the provinces' marginality and dependency relationships did not change.

The impact of the mineral discoveries did however allow the C.P.R. to reopen the "Crow Rates" as part of the "new economic reality." It began to be argued that the structure of the rail rates were "a major barrier to economic development and diversification." (Gillen et al, 1979, p.125). Since this claim is quite vague, it is useful to consider under what types of situations a move to cost-of-service freight pricing would have beneficial effects on Prairie industrialization. An increase in the rates, assuming a highly elastic demand curve for the products,

would mean lower primary product prices on the prairies. Lower input costs might in turn induce shifts in the location of backward linked industries. This seems to be the only sense in which the bias against industrialization argument makes theoretical sense. (Gillen et al, 1979). Just how empirically significant it is, is another matter, of course. One would have to know what kind of local raw materials price advantages would be needed to induce such a location shift. In the successful cases local raw material prices could never rise above the level that is sufficient to retain the West's locational advantage. In other cases there would be a fall in local net returns as a result of higher transport costs without any impact on industrial location.

The point to be made is that the evidence is mixed. Prairie governments should thus have been very careful about demanding specific changes in the freight rate structure. They were not. The rationale of diversification linked with the push towards technological specialization ruled the day.

The Prairie Wheat Pools, however, challenged a vital part of the updated 1980 Snavelly report. An independent analysis conducted for the Pools by Travacon Research Limited puts the 1980 shortfall at \$467.9 million, more than \$200 million below that suggested by the Snavelly report. It was very important that the railway shortfall on grain transportation not be overstated, as the figure used

for the shortfall is crucial to calculations affecting virtually all aspects of the first rate debate, including the distribution of committed Federal funds. In its analysis for the Pools, Travacon Research questioned other assumptions used in the Snavely report in determining both variable and fixed costs of grain movement. Travacon pointed out that the Snavely formula would result in grain financing approximately 50% of the railway capacity expansion to 1990, even though grain would account for the only 21% of the increase in traffic. (Travacon Research Ltd, 1980, p.45).

The Pools noted the difference between the Federal Government's assurance of \$612 million annually and the Travacon calculation of the revenue shortfall. "The difference", the Pool concludes, "is needed to assist in meeting such items as inflationary cost increases in the future, increases due to traffic urban growth, and increases in line-related ownership and maintenance costs." It must not be dissipated in overstated railway revenue requirement." (Travacon Research Ltd, 1980, p.48).

The railways, using the Snavely reports, claimed a revenue shortfall as an excuse to make little or no investments in the system during the 1970's. A number of ad hoc measures were taken by the railways, financed mainly by the Federal Government.

In 1974, the Federal Government and the railways began a cost-sharing agreement to repair over 7,400 box cars to provide a continued grain service. This was in addition

to a Federal Government program to purchase new grain hopper cars begun in 1972. By 1981, it had purchased or leased a total of 10,000 cars. Even this program was not enough to overcome the deficiencies in rolling stock. (Gilson, 1982, p.15).

In the summer of 1977, the Federal Government began an upgrading and rehabilitation program for the lines in the basic branch line network at that time. A total of some \$700 million was committed to the program which was expected to take eight to ten years to complete. It was agreed that 1,300 miles of C.P. and 1,015 miles of C.N. lines would be rehabilitated. Up to March 31, 1984, C.N. Rail would receive \$298.1 million and C.P. Rail will receive \$196.8 million under this program. In the period 1971-1981, both C.N. Rail and C.P. Rail received substantial subsidies, totalling \$971 million.

Other measures were taken in response to the problems in the grain handling and transportation system, which both the railroads and the Government felt were aggravated by the existence of statutory rates. In 1976 the Government began a program to reimburse cannula processors for the difference between minimum compensatory freight rates for cannula oil and meal and the statutory rate which was in effect for raw arrested and meal to Thunder Bay. A number of port improvements were made on the West Coast, at Churchill and at Montreal through private and Government initiatives. Western grain handling companies, private and

co-operative, took steps to develop a Prince Rupert Terminal with assistance from the Federal and Alberta Governments. It was projected that with the development of the terminal at Prince Rupert, the port system would have the physical capacity to handle larger volumes of grain expected in the near future.(Gilson, 1982, p.32).

According to a number of studies, the problems of moving grain had become more critical in the early 1980's. Record export levels were expected for 1981-82. The Canadian Wheat Board estimated that 30 million tonnes would be exported in 1985 and 36 million tonnes in 1990. Difficulties in co-ordinating and planning the movement of current volumes led the Federal Government to create the Grain Transportation Authority in October 1979. The G.S.A.. began operations in March 1980. One of its major objectives was to carry out the required planning and to implement the changes necessary to make the forwarding system operate more efficiently and effectively, and to increase system capacity in order to increase exports.(Gilson, 1982, p.36).

Background to the Gilson Report

Against this summary of grain transportation problems, programs and institutional changes in the 1970's and 80's, and in relation to the projected inadequacies of the Western railway system, the Federal Government set out what it considered to be a comprehensive approach to meet Western Canada's future railway needs. The result was the

Gilson report and the subsequent advertising blitz that accompanied it.

On February 8, 1982, the Honorable Jean-Luc Pepin, Minister of Transport, announced the beginning of a consultation process leading to a new statutory framework for the sharing of grain transportation costs among the Government of Canada, the railways and the Prairie grain producers. He also announced that Dr. J.C. Gilson as the Federal representative would lead the consultations with the Western farm organizations and the two national railroads. Much had been made of the decision to appoint Gilson who was a University of Manitoba Agricultural economist to head the commission. But he was severely restricted in his line of inquiry in a number of ways. The agenda had already been framed by the federal government and the railways. Thus, the questions were not whether the "Crow Rates" should be changed or extended, but how quickly could they be ended.

More specifically, in developing what turned out to be a rather artificial consensus, Gilson would have to keep in mind the financial limits contained in the Government's statement. This in total was the \$3.2 billion the Government would be prepared to commit to the Western Railway System over the next four years. About \$440 million of this had been committed for branch line rehabilitation and the cost of existing hopper cars.

Dr. Gilson invited twelve organizations to participate in the consultation process and to send

representatives to an initial meeting on March 10, 1982. These included both C.P. and C.N., one group of processing companies and nine major farm organizations. (Gilson, 1982, p.40).

The processing group consisted of five companies engaged in the crushing of cannula. They operated eight plants in the three Prairie provinces.

The farm organizations included such companies as the United Grain Growers, Manitoba Pool Elevators, Saskatchewan Wheat Pool and the Alberta Wheat Pool. All four represented from ten to nineteen constituent organizations almost entirely made up of farmers and their commercial organizations. A total of sixty-four organizations were represented, nine of them through membership in two or more umbrella organizations. A small number were municipal or women's' associations or farm business organizations. The Prairie Farm Commodity Coalition represented twelve constituent commodity associations.

Two direct membership general farm organizations were invited to participate in the consultations. Unifarm with a direct membership of 7,213 as well as fifteen association members, accepted the invitation. The National Farmers Union did not attend the meetings but did submit a written brief for consideration by the Federal Representative.

Invitations were extended only to major farm organizations to participate in the consultation process

because of the tight time frame (February to May 1983) which had been imposed on Gilson by the government. Groups with alternative analyses, such as the National Farmers' Union would later allege that strict time considerations kept them frozen out of the process. (Munro, 1988).

The only opposition to the consultation process came from within the Saskatchewan Wheat Pool itself.

"To historian John Archer, the drawn-out debate was the latent manifestation of a split that had been present in the Pool since its beginning 58 years earlier. In Archer's view, those who thought it better to participate were continuing the tradition of the Saskatchewan Grain Grower's Association, while those who wanted all-out public confrontation were in the spirit of the old Farmer's Union of Canada. (Fairburn, 1985, p.229).

The controversy over the Saskatchewan Wheat Pool's Crow policy at least had the benefit of generating some interest among the members. Some strong opposition voices to the growing Pool consensus began to be heard. (Fairburn, 1985, p.230) Such cries "in the wind" were silenced finally when Pool President Turner threatened to resign. He was vindicated at the June 1983 annual meeting, which was presented with a similar resignation resolution so that the issue could be formally addressed and there would be no appearance of member criticisms being ignored. "Not one

delegate voted for the resolution; Turner received a standing ovation." (Fairburn, 1985, p.230).

After the first general meeting of the participants on March tenth, a number of formal and informal meetings were held. The purpose was twofold. First, to gain an understanding of how each participant viewed the Crow Rate and how they thought it affected the system. Secondly, and just as important, how each participant thought the payment of the railway revenue shortfall would be paid. (Gilson, 1982, p.40).

It was at this point that the process began to break-down as agreement could not be reached on whether the railway revenue shortfall should be paid to the producers or to the railways. The railways argued for payments to go to the producer directly so that they could introduce variable costs into the system and be able to charge farmers more for transporting their grain. Variable costs are costs incurred as a result of the movement of identified blocks of traffic, e.g., fuel, labour, cost of capital, and roadway maintenance.

The producers on the other hand, argued that the revenue shortfall should go to the railways so that fixed costs would remain in effect. Fixed costs are costs which do not vary with increases or decreases in traffic. They include ownership and maintenance of tunnels, bridges, culverts, snow sheds and snow removal, and corporate services such as legal and policy departments.

The result of the "debates" was the compromise alternative, which Gilson referred to as the "hybrid proposal". Under the "hybrid proposal" some of the shortfall funds would be directly paid to the railways. The payment was supposed to depend to some degree, on performance, which was an obvious incentive for the railways to perform well.

The remainder was to be paid directly to the producers, with the assumption being that this would encourage crop diversification and greater development of grain-using industries on the Prairies.

The "hybrid model" contained a "phasing" provision, with the shortfall payment in 1982/83 going entirely to the railways. Preparations would be made to develop and refine the administrative mechanisms necessary to calculate and distribute direct payments to producers. Starting with the 1983/84 crop year, a portion of the railway revenue shortfall would be paid to producers. The portion of the shortfall going to producers under the "hybrid proposal" would increase to 50% by 1985/86 and, "subject to satisfactory performance of the mechanism and general acceptability by producers, this portion could increase up to a maximum of 81% by 1989/90. The "hybrid model" also included the provision that the method of payment mechanism be reviewed in 1985/86, and every five years thereafter, to ensure that the mechanism was working effectively. (Gilson, 1982, p.50).

It must be pointed out here that the "hybrid model" was not necessarily accepted by all participants involved in the consultation process. Some organizations clearly indicated that "pay the railway" was the only official position they could adopt during the consultation process.(Gilson, 1982, p.50).

Objectives of the legislation:

On February 1, 1983 the Minister of Transport, Jean-Luc Pepin introduced the "Western Transportation Initiative." The governments stated objectives were four fold:

- 1) to ensure adequate overall railway capacity in Western Canada;
- 2) to develop a modern and efficient grain transportation system;
- 3) to encourage economic development and agricultural diversification in Western Canada;
- 4) to contribute to national economic recovery." (Government of Canada, 1983, p.6).

The federal plan was designed as a two part process. In the first instance the federal government provided a financial commitment of \$3,716 million in direct expenditures on behalf of the "Western Transportation Initiative." In the second instance the federal government secured a financial commitment from the two major railways (Canadian National and Canadian Pacific) to spend "up to \$16.5 billion over the period 1983 to 1992."

Table 1

Estimated Federal Government Expenditures Western
Transportation Initiative 1982/83 to 1985/86.
Millions of Dollars

1. 1982/83 Interim Payment.	\$ 313.0
2. "Crow" Benefit Payments (1983/84 to 1985/86).	1,954.8
3. Federal Share of Cost Increases	1,460.0
4. Agricultural Adjustment Payment	204.1
5. Branch Line Rehabilitation	380.2
6. Hopper Car Purchases and Leases	434.3
7. Branch Line Subsidies (1982/83 and 1983/84)	278.0
8. Administration	5.7
 Total	 \$3,716.1

Source: Government of Canada, 1983, P.E.

The government has frozen the annual "Crow" benefit at \$651 million. This meant that the "Crow" benefit at 1982 levels represented a net saving to the government in the years that followed.

Further, the federal government allocated \$77 million dollars towards branch line rehabilitation in the 1981/82 fiscal year. Therefore since this program was a long standing one, and would have been continued, the federal government would have allocated \$308 million towards branch line rehabilitation during the four fiscal years from 1982/83 to 1985/86. If the annual cost increases for inflation are added, \$28 million for all four fiscal years, the federal government would have committed \$336 million to branch line rehabilitation. Therefore the stated \$380.2

million represents only \$44.2 million of new monies. (Public Accounts of Canada, 1982, p.29).

In the 1981/82 budget the federal government allocated 144 million for hopper car purchases and the rehabilitation of existing box cars. Therefore, if this ten year old program were continued for the next four years, the federal government would have allocated \$624 million for this purpose. By proposing to spend only \$434 million the next four years for hopper car purchases, the government is allocating less money than it would have normally spent if the existing program had been continued.

In the 1980/81 budget the government "allocated \$196 million to Canadian Pacific and \$298 million to Canadian National for branch line subsidies." Therefore, in the 1980 fiscal year the government allocated \$494 million to the two major railways for branch line subsidies. In the proposed "Western Transportation Initiative" the government had only allocated \$278 million for this purpose for the two fiscal years 1982/83 and 1983/84. Therefore the government was proposing to spend \$710 million less (at the 1980 levels) than it would have done if the present system had been maintained. (Gilson, 1982, p.9).

Thus when all the data is taken into consideration, the government was not spending new money on the proposal, but had simply allocated monies that would normally have been spent for this purpose. (see Table 2).

TABLE #2

COMPARISON BETWEEN THE WESTERN TRANSPORTATION INITIATIVE AND
ESTABLISHED FEDERAL PROGRAMS IN THE TRANSPORTATION SECTOR.
Millions of Dollars

Western Transportation Initiative		
1. Crow Benefit	1983/84	\$652
	1984/85	same
	1985/86	same
Total		1,945
2. Branch Line Rehabilitation	1982/83 to 1985/86	380
3. Hopper Car Purchases and Leases	1982-86	434
4. Branch Line Subsidies	1982-84	278
Grand Total		3,046
Established Federal Programs		
1. (allowing for annual 10% increase)	1983/84	\$708
	1984/85	778
	1985/86	855
2. Branch Plant Rehabilitation	1982/83 to 1985/86	336
3. Hopper Car Purchases	1982/83	144
	1983/84	144
& Box Car Rehabilitation	1984/85	144
	1985/86	144
Total		624
4. Branch Line Subsidies	1982/83	494
	1983/84	494
Total		988
Grand Total		4,289

Source: The Gilson Report, 1982, p.9

In fact, the federal government was allocating less than it normally would have spent if the established programs had been maintained or continued.

b). The Railway Commitment

The second phase of the "Western Transportation Initiative" was the railway commitment. The two major railways (Canadian Pacific and Canadian National) agreed to allocate substantial funds towards the rehabilitation of the Canadian railway system. (for proposed railway commitment see Tables 3 and 4).

TABLE #3

1983-1987 CANADIAN PACIFIC RAILROAD (Cash Capital Program).
Millions of Dollars

	1983		1984-1987		TOTAL	
	A	B	A	B	A	B
AD	106	221	817	1992	923	2313
EQUIP	72	80	436	642	508	722
HER	2	14	4	91	6	105
SYS	180	315	1257	2825	1437	3140

A: Without Grain Resolution . B: With Grain Resolution

DIFFERENCE

AD 1,390 SYSTEM 1703 EQUIP 214

HER 99

TABLE #4

	1983		1984-1987		TOTAL		DIFFERENCE
	A	B	A	B	A	B	
ROAD	311	451	1294	2637	1404	2988	1,484
EQUIP	46	46	600	675	650	715	75
SYSTEM	351	491	1793	3212	2145	3703	1,559

Source: Government of Canada, 1983, p.6.

A: Without Grain Resolution. B: With Grain Resolution.

As demonstrated in Tables 3 and 4 the two major railways promised to spend \$3,262 million in excess of what they normally would of spent in the four year period. The bulk of the money allocated by Canadian Pacific "consists

largely of the Rogers Pass tunnel project and other double track projects between Calgary and Vancouver." In the case of Canadian National, the bulk of its money was supposed to be spent to "expand the main line between Edmonton and Vancouver, and the B.C. North Line from Red Pass to Prince Rupert.

Although the government had proceeded upon the basis that the commitments from the two railway presidents, in letters to the Minister of Transport, would be implemented, there was no formal contract signed between the parties. Further the railways insisted upon and received an escape clause in the agreement. The escape clauses provided that the railways "can scale down their plans if there's no improvement in the national economy." (Waddell, 1983, p.24). These claims are directly tied to the amount of traffic transported by the railways in the years 1983 and 1984. Explaining why the railways demanded and received the escape clause, R.S. Allison, executive vice-president of C.P. stated on February 11, 1983: "They're in there in the event there's a real downturn in traffic and we couldn't go ahead." (Waddell, 1983, p.24).

It is interesting to note that the stated aim of this proposal to "assist agricultural and industrial development and stimulate economic recovery" was dependent upon the economy recovering. So long as the slow "recovery" continued, then the proposals would be implemented. But should the economy take a turn for the worse, the railways

would exercise their right to withdraw, and the whole proposal would disintegrate.

When Mr. LeClair, the President of Canadian National, was asked to comment on the current and future economic climate, he replied pensively "Things have already started to turn around a bit. January of this year is significantly better than January of last year. It's not (a boom year) but indications are that 1987 will be better than 1986." (Canadian National, 1983, p.13).

As with any discussion, which involved a program of this magnitude the question inevitably arose: Where was the money going to come from?

The principal plank on which the Crow Reform was based was what the producer would have to pay for the cost of moving his or her product to market. The government through the Crow Rate subsidy paid the difference between the established cost charged by the railway and the fixed cost charged to the producer.

Under the then new proposal the government would contribute a fixed amount (\$651 million) in perpetuity and the producer would have to pay the difference in the price above the government's contribution. (See Table 5).

TABLE #5

POSSIBLE AVERAGE GROSS AND NET GRAIN FREIGHT RATES PER TONNE PAID BY PRODUCERS.

CROP YEAR	WITH CONSTANT VOLUMES		WITH INCREASING VOLUMES	
	Gross	Net	Gross	Net
1981-82	4.89	4.89	4.89	4.89
1982-83	4.89	4.89	4.89	4.89
1983-84	12.38	4.99	12.71	5.48
1984-85	15.55	6.52	16.01	7.29
1985-86	18.98	8.23	19.56	9.35

*Gross paid by producer at elevators.

**Net rate by producer after receipt of government payments.

Source: The Western Transportation Initiative:
The Policy Decisions, 1983, p.10

Aside from the fact that the rate of inflation is impossible to predict in economically volatile times, it was also difficult to accept the government's optimistic figures. Table 5 shows what the government expected the producer to pay given the projections for inflation. But should the inflation rate have risen above the estimated levels, then the producers would have to make up the difference. Therefore the figure of \$8.23 per tonne, in the crop year 1985-86 could have ended up being considerably higher if Canada were hit by another round of inflation. Further, the producer would have had to pay higher rates if the volume of wheat transported rose above the record 31 million tonnes. Given the fact that research in the agricultural area was an ongoing phenomenon, and that the government's own forecasts predicted a harvest of 41 million

tonnes in the year 1991-92, the rate paid by the producer was likely to rise. Therefore, the producer was faced with the prospect that he should produce higher volumes of wheat, either by virtue of a good crop year, or improved agricultural efficiency, he would have to pay a higher price to transport it. (Munro, 1988, p.101).

It was difficult to predict what the producer would have had to pay in the subsequent years following the parliamentary review of 1985-86. Even the government's own documentation recognized this. According to the government's white paper:

"The freight rates beyond 1985-86 are difficult to estimate since they depend on such major uncertainties as future volumes, inflation, efficiency, gains, method of payment and cost-sharing arrangements. Assuming an increase in production from 31 million tonnes to about 41 million tonnes in 1991-92, the rate paid by producers after taking account of government's payments would be \$27.21. At this level, the rate paid by producers would cover approximately 60% of the real cost of moving grain." (Western Transportation Initiative, Railway Investment Plans, 1983, p.23).

Given the government's own projections, the producer was having a rise in the actual cost of transporting his or her grain from \$4.89 per tonne to approximately \$27.21 per tonne in 1991-92. This is of course assuming a constant inflation rate of 6% for every year after 1985-86.

Direct Payments To Producers:

The Gilson Report called for the direct payment of the Federal \$651.1 million Crow subsidy to the producer. The

report had recommended a phase-in formula where by the 1990-91 crop year the federal subsidy would be completely paid to the producer. The report recommended this course of action because it was felt that it would prove less costly to the government. The producers countered that the Crow Rate was a railway (i.e. transport) subsidy, and that if it were transferred to the producer it would appear as a producer subsidy. The producers felt, that a producer subsidy would be less likely to have public support, than a transport subsidy.

Reaction To The Western Transportation Initiative:
Producer Organizations.

On February 2, 1983, the Minister of Transport announced his decision to implement the Western Transportation Initiative. Reaction from the various farm organizations was quick and decisive. The first organization to voice its disapproval was the National Farmers Union (NFU). But the N.F.U. had refused to participate in the Gilson Consultation Process, and therefore was viewed as "radical" and not representative of the other farm organizations. (Munro, 1988, p.100).

The majority of the farm organizations welcomed Mr. Pepin's proposal to upgrade the Western Railway System, but at that point agreement for the most part ceased. The major areas of confrontation were financial in character. These areas of contention were a). freezing the Crow subsidy at \$65.1 million. b). the cap of \$31.1 million tonnes to

which the Crow benefit applies. c). direct payment of any portion of the Crow subsidy to producers.

a). Freezing the Crow subsidy at \$65.5 million: In a February 1, 1983 release the "United Grain Growers criticized the freezing of the Crow benefit at \$65.1 million. The Growers noted that this section would mean that the "652 million Crow benefit will be paid in current dollars rather than in 1981 dollars. If inflation, for instance was at 12%, it meant 12% less every year in 1981 dollars from the Crow benefit.". (United Grain Grower's News Release, 1983, p.2).

b). The Cap of 31.1 million tonnes to which the Crow Benefit applies: The farm organizations came out strongly against capping the Crow benefit at 31.1 million tonnes. They claimed this would force producers to pay all increases due to inflation on volume in excess of 31.1 million tonnes. With government predictions indicating that Canadian Wheat production would exceed the 31.1 tonne level, the farmers stand to lose on every tonne they produce in excess of the 31.1 million tonne level.

In the discussions with Dr. Gilson, the participants had argued that producers would pay 3% of the cost due to inflation over the 31.1 million tonne level. But in the Pepin proposal, farmers were expected to pay 3% of increased costs for three years and the first 6% in the following years..." The Manitoba Farm Bureau, commenting on this change in the agreement, stated that "the Bureau is not happy that the farm share is slated to be double the amount

agreed to during the negotiation process while the upper volume limit of 31.1 million tonnes will remain in effect.". (Gilson, 1982, p.9).

c). Direct Payments to Producers: As was pointed out before, one area of contention on which all the farm organizations agreed on was the proposal to pay the Crow benefit directly to producers. The producers felt that changing the subsidy from a railway subsidy to a producer subsidy would weaken their position, and would be perceived as a producers' subsidy rather than a transportation subsidy.

In a telex to the Prime Minister, the Vice President of the Saskatchewan Wheat Pool, also expressed concern about the "increased costs to the government of a producer related subsidy, and the loss of the necessary government leverage to enforce railway performance." (Pickle, 1983, p.5).

The major reason why the farm organizations were so against a producer-railway split of the Crow subsidy was because they feared that "the subsidy would be recognized by politicians and the general public as a producer rather than a transportation subsidy, thus the permanency of it would be doubtful." (Atkins, 1983, p.16, Munro, 1988, p.100).

The principal reason which lay behind the majority of the producers' complaints, was that they were going to be asked to pay more; a great deal more, and they were concerned that they would not have the money to pay. Faced

with the possibility of having to pay over \$27.00 a tonne to transport their grain, against the \$4.89 a tonne which they were paying then, it was not surprising that they were upset.

Therefore while they were content with the government's proposal to upgrade the railway system, they were unhappy with the proposal to shift the entire burden, for this immense financial understanding on to the backs of the producers.

Provincial Governments:

The two provincial governments to have taken a strong position against the Western Transportation Initiative were the governments of Saskatchewan and Quebec. While the governments of Manitoba and Alberta had not endorsed the proposal, they kept their criticisms to a minimum. This strategy resulted in severe criticism of Premier Pawley of Manitoba by various farm groups, but most conspicuously by the National Farmers Union, which had a very particular, if not original, method of demonstrating its displeasure by dumping cow manure in front of the legislative buildings. The N.F.U. also called for various acts of "civil disobedience" at numerous rallies of farmers that were organized in Manitoba. (Munro, 1988, p.105) At a demonstration in Oak Bluff, Manitoba, "a resolution was passed stating that farmers would stop the trains if their demands were not met." (Munro, 1988, p.105).

The only Premier to have endorsed the proposal was Bill Beneath of British Columbia. This stemmed from the fact that the coal industry in his province had the most to gain from double tracking, while at the same time not having to pay for it. (Munro, 1988, p.105).

The government of Saskatchewan had taken the strongest position against the Pepin proposal. Premier Devine had stated that he would have preferred the then present situation over the Pepin proposals. Stating his reasons for opposing the Pepin proposal, Devine noted that, "the Pepin plan, which would double the grain rates by 1986, and increase them to five times their present level by 1991, doesn't give grain farmers any protection against sharp rate increases." (Munro, 1988, p.105). The strong position, taken by the government of Saskatchewan was not surprising, in light of that provinces' heavy dependence upon wheat. Support "in keeping the Crow" did not always however work for political benefit as Alan Blakeney found out in his defeat in 1982.

Historically the government of Saskatchewan had opposed any change in the Crow Rate. Before almost every Royal Commission held on the freight rate issue, the Saskatchewan government had advocated the retention of grain subsidies. It was not surprising therefore that in this round, the government had maintained the province's traditional viewpoint. Gary Munro writes:

"Throughout Saskatchewan, town meetings were held. The Saskatchewan Association of Rural Municipalities passed a resolution strongly condemning the proposal. The Regina Chamber of Commerce eventually joined this opposition, despite the misgivings of some of its membership. Numerous petitions opposing the changes were signed and presented to Parliament by New Democratic members." (Munro, 1988, p.105).

One of the foundations of the Gilson study was the long standing need to improve rail transportation as a service. As seen earlier, the system could not meet up to performance levels that would not normally be expected, given expanding markets for grain. The proposal was supposed to be step in the right direction towards "promoting greater economic efficiency" in the quality of grain transportation.

As a result of that proposal, C.N. was to invest approximately \$193 million in expansion and upgrading projects in 1983. C.N. also planned to spend \$200 million in double-tracking in 1983, and \$700 million in double-tracking projects west of Winnipeg over the following five years. Twenty terminals were to be expanded at a cost of \$342 million. The capacity expansion program as to consist of 210 miles of double track between Winnipeg and Edmonton, and 392 miles between Edmonton and Vancouver. (Canadian National, 1983, p.18).

C.P. Rail also planned to spend \$85 million on new track, equipment and related facilities during 1983 to improve its rail network east of Thunder Bay, Ontario. Plans

were also in the works to spend \$16 million on locomotives, rolling stock and railway machinery. (CP Rail News, p.22). C.P. Rail intended to spend \$315 million on regular maintenance and repair work during 1983. An additional \$39 million dollars, funded by the federal government, would be spent to continue the rehabilitation of Prairie branch lines. These were examples of how the proposal had prodded the railways to invest capital in improving the efficiency and effectiveness of the railways, which was to be economically beneficial.

Another aspect of the proposal was the jobs that were supposed to have been created as a by-product of improving the rail transportation system. C.N. promised to invest \$50 million in the western economy and this was to create 3,300 new jobs in 1983 alone. C.P. Rail's capital works program was supposed to create approximately 2,200 person-years of construction work in 1983. In addition, 400 additional regular job positions in the railway were expected. (C.P. Rail News, 1983, p.1).

The economic impact of the spending which took place was largely mixed. The investment in improving the system was seen as long overdue by the railroads and for some observers, as a breakthrough for Eastern interests.

The job creation packages were relatively small. If one considers the prevailing level of unemployment and what was expected in the near future, this aspect of the proposal was somewhat less than impressive. The supposed

upgrading of the railroads was to be the mainstay of this proposal. In the light of that promise, one must consider the beneficial repercussions that a more efficient railway system could produce for Canadian industry as a whole.

Another supposed positive aspect of the proposal was that the "Western Transportation Initiative" would cost the government less than under the previously established programs. As was seen in Table 2, in the previous section, the government was spending \$3.046 billion where it would have spent \$4.289 billion. This meant that, the government was spending \$1.243 billion less of the tax payers money over a three year period. This was supposed to represent a significant reduction in government spending, due to the revision of the crow rate.

Although the government's saving over the long run appeared to be a plus factor, the underlying implication was quite clear; the farmers were going to assume an increasing burden of the transportation burden in the years to come.

The farmers would have to pay an inordinate amount of money for transportation of grain over the long run as transportation costs continued to rise. It was perceived to be short-sighted on the part of the government to freeze the crow benefit at \$651 million. And the prospect of the farmers paying over 27 million dollars per tonne in freight rates by 1991-92 was one which the government had created for itself. Instead of helping the Western economy, the

proposal caused considerable damage because, as farmers were confronted with the mounting difficulties of paying to get their produce to market, they may have been forced to go out of business or food costs would rapidly escalate. Therefore, instead of solving a problem the federal government was creating a new one, which would have grave consequences for Western agricultural development, as well as for the purchase of goods, and the Western economy as a whole.

Another weak point in this proposal, was the fact that the pay schedule of subsidies was premised on what could be seen now as rather conservative assumptions about the rate of inflation in forthcoming years. This implied that the farmers had no choice but to rely on the correctness of these predictions or projections, in forecasting their costs of staying in business. Moreover, miscalculation of inflation would leave the farmers in a situation of paying more than their share as envisioned in the proposal, without being compensated.

The plan was not subjected to review until 1985/86, which was seen as another potential deficiency. If the government had made serious miscalculations regarding grain estimates, the farmers may have had to "bite the bullet" and bear the economic consequences. The major ramification of this aspect of the proposal, was that the consequences of the policy oversights would be compounded over a three year period. In effect, there was no proactive management to catch the tumor before it became malignant, if

one accepted the fact that the tumor had been created by the government's proposed plan.

Direct payment to producers was a plan which from the government's point of view, did not appear to be very feasible. It was considered very costly from an administrative perspective, because of the need to hire more bureaucrats to execute payments to farmers in Western localities. The Saskatchewan wheat pool had pointed out that "the administration of producer subsidies through acreage payments would be complex and costly." (Bickle, 1983, p.2). They also feared that "there would be a significant transfer of benefits from grain producers to producers of other agricultural commodities." (Ibid). The wheat pool had a valid argument: direct payments to producers implied inefficient public spending when direct payment to the railways would be much more practical and simpler to administer.

The new rates have also negative repercussions for cattle and other livestock producers in the East. As the cost of their feed rises, because of higher transportation costs incurred by Western farmers, they will be forced to raise their prices to the level where consumers would be inclined to consume less. The end result was that cattle and livestock raisers would be placed in a situation where by they have to worry about the volume of produce they will be able to market. In the end they would also lose because they

would be struggling to meet the costs of staying in business.

In summary, changes to the Crow's Nest freight rates were a historically contentious issue:

"First the natural monopoly position of railway transportation in Western Canada for a bulky but durable commodity, such as grain, required government regulation of some sort and meant that rail transportation issues were always central to the Western Canadian political agenda. The historical legacy of the C.P.R. was one of exploitation with the active support of the federal government. For those in the West, rail freight rates seemed to encourage manufacturing in the East while leaving the West as a resource producing hinterland." (Munro, 1988, p.95).

Transportation policies had been seen to benefit particular regions and interests within the country. To recapitulate: the "Western Transportation Initiative" was slated to address four primary objectives: 1) to ensure adequate railway capacity in Western Canada; 2) to develop a modern and efficient grain transportation system; 3) to encourage economic development and agricultural diversification in Western Canada and 4) to contribute to national economic recovery. The objectives indicate that the entire plan has been ambitiously conceived, but the analysis leads one to conclude that the proposal would fall short of meeting its stated economic and political objectives. (Munro, 1988)

In the spring of 1983 the Federal Government was forced to backtrack somewhat from the earlier position of paying subsidies to the producer rather than the railways. According to Munro, the proposal was changed in order to

accommodate the Quebec agricultural lobby but it must be said that this change also helped a little to cushion the blow to Western producers.

The Selling of the Crow:

The most crucial stage in the process began when the meetings ended and the media campaign was brought into focus. Both Innis and Williams have been able to trace the history of the print media to articulate clearly how the line between public policy and public relations has become so blurred, that a complex fusion has resulted. In the case of the Gilson Commission, this resulted in community entertainment - a kind of traveling magic show where ideas were lured in and strangled. To support the "Western Transportation Initiative" approximately \$1.5 million was spent to sell Canadians on the glories of what Ottawa was doing for them. As is also characteristic of governments across Canada, the polls, the public relations and the advertising that went into the selling of the Crow involved firms and individuals with long-standing connections to the party in power. In an interview, Peter Smith, Lloyd Axworthy's chief policy adviser for Western affairs, argued that the department's public affairs branch was not well suited to carrying out a massive public relations effort needed to tell Western Canadians about the benefits that

would follow the "Crow" bill. "More specifically," Mr. Smith said,

"in the highly charged atmosphere after the passage of the bill, you can argue we probably should not have submitted public servants to the anger they would have encountered in public meetings." (Globe & Mail, 1984, p.8).

A group was set up in the department, and public relations contracts running from October 1, 1983 to March 31 were given to five firms. These agencies were to do liaison work with client groups in their regions of Canada on the economic and agricultural benefits of changing the "Crow Rates." Mr. Axworthy, in a subsequent interview, admitted that the appointment of the public relations firms was done on the advice of the regional Ministers in the Cabinet, the political czars of the Trudeau Government. (Ibid).

In addition to the public relations effort, the selling of the Crow involved an advertising budget of just over \$1 million in English and \$375,000 in French for the 1983-84 and 1984-85 fiscal years. Regular spring and fall omnibus surveys of Canadian public opinion were used to track the effectiveness of the advertising. (Ibid).

The bottom line was, the railroads and the federal government were the winners, and the grain producers were to be the losers in a "media-driven" policy game. The "Western Transportation Initiative" as a policy satisfied two objectives at the expense of the other two, which were equally important. Any short-term benefits that this plan brought about would ultimately be erased by the long-term

costs which arose out of the deficiencies of the calculations, financially and economically.

The federal government was called upon to institute direct payment to the railways on the grounds of administrative efficiency. It was more acceptable to the farmers, because the payments would be viewed as a transportation subsidy and not a producer subsidy. The Saskatchewan Wheat Pool believed that under this system, "administration is direct, simple and less costly to the Canadian public" and it would also "offer greater assurance to grain producers that railway performance guarantees will be effective." (Western Transportation Initiative: The Policy Decisions, 1983, p.1). As explained above, eventually the Government partially compromised but the final package still was resented by most Western producers.

The government should also have instituted yearly evaluations of the effects which the program was having on the grain producers, the performance of the railroads and the economy as a whole. In this way, corrections or revisions to the plan could be undertaken or at least conceived, if the implementation of the plan brought about unsatisfactory results or repercussions. Also, it was a means by which the government could insure that the errors of the past were not needlessly compounded. Although this appeared to be a sensible and rational idea, the constraints of time and the costs of having analysts review the plan on a yearly basis were factors which ran against it.

The crow benefit should have been adjusted yearly to more accurately reflect fluctuations in the levels of inflation. Also, the limit at which the crow benefit was applied was unrealistic and should be adjusted. At the time of the negotiations, the farmers could not produce beyond 31.1 million tonnes of grain without being burdened with added cost in terms of freight rates which came out of their pockets. This became a serious problem in the future. In general, a more flexible system of payments was needed because factors such as inflation and grain yield did not remain constant. The obvious problem was the government deficit and the perceived need for budgetary restraint in a period of slow economic recovery. Thus, the government was slow to perceive the long-term benefits of allowing increases in the crow benefit, especially as it affected agricultural development in the West.

The coal industry should have assumed a portion of the costs of double-tracking. The coal industry was riding freely on the backs of those who were going to have to absorb the costs of the improvements which were being undertaken by CP and CN. If the coal industry had subsumed a portion of the costs of double-tracking through variable rates, in the long-run the farmers would have been paying less in freight rates. The coal industry's economic gain from the "Western Transportation Initiative" presented a situation which was clearly inequitable and unjust for grain producers, who were going to have to make up for this in

higher freight rates. The ultimate application was that the user-pay principle applied to the producers of grain, while it did not for the producers of coal, and therefore the cost burden was disproportionately being absorbed, in the long run, by a sector of the economy which could least afford it. And although the British Columbia Government would have been opposed, the coal producers should have been a participant in the scheme to modernize the railway system.

The "Western Transportation Initiative" exemplified the complexity of policy analysis. The proposal illustrated the difficulties that are involved in attacking several objectives in an attempt to satisfy a wide range of interests, especially when the objectives are as challenging and comprehensive as the ones in this policy proposal.

The objectives of virtually any policy proposal are usually conceived along with the lines of politically sound rationales. The end result is that there will be economic winners and losers, due primarily to the fact that one policy constituency will undergo the consequential impacts which the policy generates. The study of this proposal has brought this lesson out into the open.

The fact that the original Gilson proposal favoured the interests of the railroads (eastern interests) and placed the farmers (western interests) in jeopardy is a manifestation of how the politics of the day can shape the amorphous activity of policy analysis. Of course, it is difficult to maximize all interests when working under the

onus of a political agenda but the government in its short-sightedness and penchant for attacking policy problems with bureaucratic solutions has created a political equation which is grossly inequitable from the standpoint of the western grain producers and society as a whole.

Policy formulation is increasingly difficult under the constraints of limited resources and mounting pressures to do something quickly before the situation deteriorated further. This is a fact that must be acknowledged from the outset, and as can be seen from the example of the "Western Transportation Initiative", it can produce dubious consequences. Also the capacity of the federal government to adequately deal with policy matters is thrown into question when it is shredded with miscalculations and shortfalls which could have probably been avoided if a more rational approach had been taken to this policy area.

The Gilson report and the public response became a single complex pattern. This pattern was a manifestation of the role of public policy as an integral part of larger social processes and purposes in Canada. The farming community, which was no longer able to be economically dominant felt victimized by Gilson report. As Monro argues,

"In the prairie provinces, however, there exist deep-rooted feelings of aliation which constitute a coherent regional political culture. An important aspect of this political culture is the view that the federal government acts in the interests of central Canada when it conflicts with western interests. These feelings of alienation had been reinforced by policies such as bilingualism fostered by the Trudeau government. After 1980, the National Energy Program and the changes to the constitution further increased western alienation. Since

negative attitudes towards the railways are a dimension of this political culture, as was the Crow Rate itself, changing the Crow would inevitably be a sensitive issue." (Monro, 1988, p.109).

As McLuhan demonstrated in Understanding Media: The Extension of Man (1964), "any community that wants to expedite and maximize the exchange of goods and services has simply got to homogenize it's social life. The decision to homogenize comes easily to the highly literate population of the English-speaking world." (McLuhan, 1969, p.227)

For an oral culture that had grown before the advent of our current political-technological concepts, they were only to prone to translate the message of the "Western Transportation Initiative" into devitalized politics. Inevitably, the fusion of technology and power that characterized the initiative proved too much for the oppositional marginalized rural communities of the West.

The course of any culture's evolution is partly charted by deep historical events. Sociological research done on Western Canadian culture, notes the fascination of a populace that is taken with the idea of new frontiers. These frontiers serve partially as an escape from self-consciousness as much as satisfaction from effort. The result can be an inability to assess cultural meaning.

In the new digital age of information and mass media systems, the tools that can fashion a distinctive Western Canadian culture are limited. As Kroker has pointed out:

"the shift from mechanical to electronic and then digital technologies has been so rapid and widespread that the full cultural significance of the technological revolution has not as yet been appreciated." (Kroker, 1984, p.9)

Western Canadians lie within an Eastern Canadian culture tucked in to a larger American mass culture, and neither serves as a suitable vehicle for the protection from cultural exposure to American society. The "full significance of the technological revolution" in Canada can mean a slip of cultural signifiers such as the Crow Rates into palpable market-promotion vehicles (i.e. the Western Transportation Initiative) in which even the pretense of community participation has collapsed in the pursuit of politically "saleable" fame. It is, then, due to the lack of a clear strategy for social and political change, that the "Crow Rates" fall short of ideological stature. We are left with the phrase "political creed" as a description of the "Crow Rates."

In terms of cultural resistance however, the "Crow Rates" are a symbol of "permanence and continuity" in an economic region which has constantly been made and remade by outside Canadian and foreign interests. This theme finds expression in the dispassionate conclusion of Donald Smiley that "Western Canada was from the first, and to a considerable extent remains, an economic colony to the country's central heartland." (Conway, 1983, p.132). It also finds expression in the more passionate but essentially similar statement by "Independent Alberta's" president John

Rudolph that "Canada is run by Ontario and Quebec for the benefit of Ontario and Quebec." (Ibid, p.223). The "Crow Rates" thus embodied a sense of cultural resistance to the heartland of Canada for a long period of time.

It is here that I turn again, to an important contribution that Raymond Williams has made, in examining the way culture has been made over in a selective fashion as part of the market mechanism. Williams understood that the means of communication, both as produced and as a means of production, are directly subject to historical development. The push in Canada has traditionally been for a more centralized form of government with less power to the provinces as a way of establishing a more equitable system for all and as a way of resisting the onslaught of the U.S. These two objectives are an example of the selective cultural reproduction of certain myths in Canada. Some provinces have been at the forefront of socially progressive programs in Canada, while the Federal Government after making sure programs were struck down as constitutionally illegitimate, followed up with some minimal concessions at a much slower pace. As for the myth that provinces are an obstacle to the cultural resistance of a strong central government, historical evidence has so far pointed to a different conclusion. The best that the Federal Government has been able to do is to offer a diluted-American cultural experience to Canadians. (Vipond, 1990). One result is an increasingly strong challenge to the Federal Government from

the private sector in order to further relax Canadian "content" regulations. The consequences for regional public policy questions such as the "Crow Rates" worsen exponentially.

The Innis/Williams response to the hegemony of the means of communication and history is twofold. First, one must create the conditions for a demystification of the means of communication. That is, to educate Canadians, in detail, on the processes involved in the discourse of technology to examine the hidden assumptions inherent in our type of socio-economic system. Secondly, to create the conditions for the recovery of a "primitive" directness and community. i.e. a spirit of the people and of the land expressed in creative ways through a communicative discourse.

In order to develop the connection between community and regional consciousness, I will turn to an examination of regional economic theory, conservative populism and the role of ideology in the following chapter.

CHAPTER FOUR

POPULISM, NEO-CONSERVATISM, NEO-LIBERALISM AND THE WESTERN DIVERSIFICATION FUND: A CASE STUDY IN REGIONAL POLITICAL THOUGHT.

"Most forward-looking people have their heads turned sideways." H.A. Innis,
The Idea File of Harold Adams Innis, (1980).

It is my contention that the "Western Diversification Fund," initiated by the Mulroney Government as a major public policy reference point represents only a small part of a much larger evolving neo-conservative regional strategy. A regional strategy developed around North American populist or "free market" economics and the positive "line" of decentralization, diversification, expression and constitution. It is brutally clear as I write during the midst of another recession/depression cycle in Canada, that governmental strategies cannot even be said to favour certain regions of Canada through resource exploitation anymore. Instead, all of the Canadian regions are simultaneously imploding within through a combination of economic free market cyclones which do not tear off as much as they dampen and flatten. The notion of provinces competing on a "level playing field" has been supplanted by the image of a "sunken economic terrain" pocket-marked with the occasional burst of industry and commerce. Regionalism and regional economic strategies have consequently been altered to reflect such current "realities" as government-

business relationships and political/social administrative neglect.

To isolate a region, for the purposes of study, from the macroscopic systems of which it is a part may have serious negative consequences. To quote the former premier of Prince Edward Island, Alex Campbell,

"The only people who consider Atlantic Canada as a region are those who live outside Atlantic Canada, the planners and bureaucrats in Ottawa, the newscasters in Toronto, and the airline executives in Montreal. We in Atlantic Canada have not yet made the decision to develop as a region. We are four separate, competitive, jealous, and parochial provinces....I suggest to you that we do not have a regional identity; we do not have regional strategies...." (Gibbons, 1985, p.83)

The novelist, W.O. Mitchell echoed this argument with regard to Western Canada as a distinct regional entity, in a series of advertisements for the nationally televised, "Petro-Canada" sponsored series, The Struggle For Democracy. Drawing from Mitchell's comments on the "vanities" of each of the Western Provinces, one could conclude that there are two distinct Canadian Prairie images. There is the dominant image of Western provinces as areas of economic vitality, strength and potential. "The call of the West" has always been a metaphor for Canada's national wealth. "For, the prodigious resources of our mines and forests, and the annual yield of our harvest are the two poles upon which revolves the credit of our country abroad." (Daly, 1921, p.29) There are however other Western intra-provincial areas, often geographically large, of lesser economic prosperity, underdevelopment, unexploited resources, and

unemployment and poverty. It is these significant areas which seem unable to escape their present state of economic, social and political stagnation. Yet relatively little attention has been focused on how to deal with the existence of these problem areas much less allocating the necessary resources and proper administrative support. A number of social and political theorists have suggested that such regional economic underdevelopment is perpetuated by a sense of "false consciousness" among Canadians that has successfully masked the urgency of the matter.

Arthur Kroker writes of "Moose Jaw Postmodern" as the end result of a local Western economy that has disintegrated into an image package filled with excremental culture-"nostalgia, childhood, voyeurism, and history." Moose Jaw's economy is not made up from working, thriving industrial production in the traditional sense but rather coasts along on a powerful memory trace of retirement centres, transportation museums, gambling museums and Western frontier houses. (Kroker, 1991, pp.137-143). So even if the industrial base of Moose Jaw has significantly eroded, a sense of false consciousness is marketed by the concerned citizenry or in this case, "Moose Boosters" to the extent that the artificial is real and the real is artificial. For when one thinks of it, how real was Moose Jaw's economy anyway? The significant difference quite apart from the warehousing of the local population is the

consequence of a number of such local economy experiences for regional economic thought and public policy.

Thus one such consequence from this type of regional "false consciousness," may be that the very process of selection wherein a region is separated from the society at large tends to lead the researcher to emphasize contrasts between region and society at the expense of linkages. This dualism is especially present in studies of third world communities where problems of underdevelopment are viewed as cultural conflicts rather than as functions of explorative relationships within a global economic system. The dualistic fallacy may also be found in studies of rural poverty within nation states. Rural poverty is here viewed as arising from the cultural peculiarities of these regions in contrast with urbanism as a way of life. (Higgins, 1986, pp.99-115 and Smythe, 1982). An alternative would be to examine rural poverty as a consequence of national agricultural policies, resource exploitation, and international markets. This would serve to de-emphasize rural-urban contrasts, placing the emphasis upon a particular mode of production, of public and private capitalism, as the "independent variable" acting on both federal and provincial governments and the relationship between the two.

Another negative consequence is that the researcher risks missing the real significance of regional and national peculiarities. Daily life at the local level in Canada arises from, responds to, and influences a set of

contradictions peculiar to the Canadian experience. Obviously, local life in the United States does not generally express the antagonisms arising from the issue of U. S. ownership of Canadian industry. Local life in Canada does and, this is shared with other regions in the world. It is expressed through institutions which have developed from the historical peculiarities of Canadian experience. Confederation is one such institution. Indeed, such importance is apparently attached to reducing regional problems that the Canadian constitution contains a section devoted to the subject under the heading "Equalization and Regional Disparities":

...Parliament and the legislatures, together with the government of Canada and the provincial governments are committed to

(a) promoting equal opportunities for the well-being of Canadians;

(b) furthering economic development to reduce disparity in opportunities; and

(c) providing essential public services of reasonable quality to all Canadians. (Constitution Act, 1981, Part 111, 36 (1)).

This constitutional act represents only a statement of good intentions. Its realization requires action. The C.D. Howe Institute has argued that "the economic situation in a region should not be allowed to deteriorate to the point where relative economic and opportunities are no longer sufficiently attractive to sustain a viable population base." (Firestone, 1977, p.22).

Others have claimed that disparities should be fought because they stem from past government policies designed to foster growth in central Canada. Richard Hatfield, the former Premier of New Brunswick complained that "programs such as DREE, equalization, and so on are almost penalties imposed on the taxpayers of the wealthier provinces, because of bad policies or the policies that favoured them years ago, and still do." (Government of Canada, 1981, pp. 14-23). Still others who now would be in favour of the most recent federal government constitutional proposals, argue that reducing regional problems is essential for improving economic growth. Higgins maintains that "reducing regional gaps is not something to be sought only on grounds of social justice or political expediency, but because reduction of regional disparities will contribute to the achievement of virtually all objectives of national economic policy, including that of reducing inflation and u.employment." (Ibid).

The difficult question is of course, how do we get there from here? Economic development has historically not been a topic on which the economics profession, bureaucrats, politicians, businesspeople and unions had reached a consensus. Moreover, the prospects for consensus in the present period do not seem great. As Sylvia Ostry, former Chairperson of the Economic Council of Canada acknowledged, "neither the (Economic) Council nor any other research organization to my knowledge has a grasp and understanding

of why and to what extent differences in regional growth rates occur." (Economic Council of Canada, 1977, pp.28-32).

This is all the more disturbing because, far from being a mature field of study with well-established and a substantial body of empirically tested "facts", regional development theory is only partially formed. In particular, the mainstream theoretical explanations I have read during the course of my research seem to lack the ability to adequately articulate the existing pattern of regional development in Canada. And few of the writers reached anything resembling general agreement as to the causes of regional, or for that matter national economic growth. Some orthodox writers advanced a number of theories concerning regional development. Some believed that development depended on growth poles, that is, clusters of mutually supporting industries in an urban area of sufficient size to support broad ranging activities. Growth pole theory represents an interesting approach because, given the right mix of industries, development should proceed apace. (Green, 1971, p.76). But this requires that policy makers know the right blend for a particular region and can put it together. Moreover, this theory may not fit large parts of Canada. Development relationships that have allowed growth centres to work well in Europe and Japan may not prevail in many Canadian provinces where populations are smaller than that of medium sized cities in other parts of the world. (Government of Canada, 1981, pp.14-23).

Others took a Keynesian view of development, looking to the need to promote aggregate demand for a region's products. Still others looked to networks of interactions among regions to explain growth and the lack thereof. (Holland, 1982). Even a monetarist or, more precisely, a gold standard based theory for a region's payments balance with other regions has been proposed. All of these theories have one thing in common. They have been formulated with the firm belief that government policies must be in harmony with the competitive structure of the Canadian and international economies, and that the free market must ultimately be the basis of economic growth and development. In short, the development of each region of Canada should be based on its comparative advantages and should ensure that the region reaches its full economic potential given market constraints. Federal governments have followed this economic orthodoxy, in both intergovernmental and personal programs.

The way in which we conceptualize a region and our approach to regional studies must be able to cope with the relationships or linkages between microcosm and macrocosm. A shortage of private sector investment activity is both a cause and a legacy of underdevelopment. To the extent that this shortage reflects real economic factors-a deficiency in natural resources, distance from markets, climatic problems-government intervention may not be called for. However, to the extent that the shortage reflects imperfections and

biases in Canadian markets or is caused by the previous lack of activity in these regions, which has stripped them of their growth momentum, then government intervention must be a necessary part of the overall development effort. In order to illustrate these relationships, I would like to explore an example in which the interaction between settlement types, incidents of daily life, and the political-legal, ideological and economic aspects of the society at large are relatively clear. The idea of the "Western Diversification Fund" draws our attention to the Western Canadian resource "hinterland" in interaction with corporations, government and policies related to resource exploitation and national sovereignty. In so doing, I will suggest certain directions which might be taken in the field of regional studies.

A further review of the field of regional economic theory uncovers two ideas embedded within the Canadian context. The first idea directs our attention toward order and consensus and the other towards locale. Regional underdevelopment authors with some sense of dialectics have focused their attention on the latter. Specifically, the articulation of the dominant mode of production, capitalism with the hinterland regions of the Canadian social formation. Their central thesis, is that there is a chain of exploitative relations between various levels, from the local to the regional to the national and international; which serves to accumulate power and resources at the highest levels, by draining them from the lowest ones.

(Drache, 1983, pp.74-87). Dependency theorists, such as Daniel Drache, Marcel Rioux and Susan Crean have pointed out that the structuralists' model has obvious relevance for the Canadian economy. They argue that regionalism is but one expression of more deeply rooted inequalities and social problems in the country. Furthermore they claim that to suggest that regional inequalities are "natural" (one of the assumptions of orthodox theories) ignores the realities of power and the "control some men have over each other's lives." (Firestone, 1977, pp.97).

They go on to argue that a detailed analysis of the current structure of regionalism, would show that it is not a product of some natural phenomenon, like geography or resources or historical accident. It is a product of a series of actions and institutions created and alterable by man.

"...different economies in the different parts of the country, produce different types of class structures in those regions. At the same time, regional economies are tied to national economies and the national ones to international ones. Thus, regional class structures are to some extent, dependent upon the way they fit into the national and international economic order. Those regions which have surplus extracted from them will have less access to goods, services and opportunities, while those in the surplus extracting areas will have a greater advantage." (Drache, 1983, pp.74-87).

The use of the structuralist methodology is seen as particularly suitable for this purpose. Structuralism supposedly allows for the national peculiarities and national organizations which are germane to the Canadian case. Though other countries hold much in common with the

dominant mode of production, each is differentially articulated within that mode, and so too is the internal organization of settlements and activities therein. The proponents of structuralism conclude that Canada exhibits a peculiar combination of mercantile and industrial capital (the original strategy of accumulation) which has a particular relevance for this type of analysis. (Wolfe, and Campbell, 1987). This brings us to a particular dependency paradigm, staple theory.

Staple theory represents an attempt to categorize economic and political development in Canada as a series of resource case-studies; case-studies which can be interpreted through a theory of growth and state control. This theory is used as a counter weight to the work of mainstream economists such as Kenneth Norrie who are obsessed with econometric modeling. Speaking the language of "geographical isolation", "relative lateness of population" and "natural market forces", mainstream economists try to remove the decisions of people and classes from the equation. (Norrie, 1986). The staple theory paradigm tries to develop the productive forces associated with capitalism by examining the social relations of production and the practices of organizations (the struggle between competitive and monopoly forms of capital) as they overlap with social, political and economic dimensions. Harold Innis, who has always been perceived as the premier staple theorist in Canada, was able to provide the first sustained account of the linkages

between government centralization and decentralization and emerging economic development in his histories on the fur trade and the cod fisheries. As a result his work has been interpreted alternatively, as conservative, liberal and marxist according to whatever ideological predispositions are at play.

Kroker has provided an interesting interpretation of Innis's work in the light of a third dependency paradigm revolving around postmodern thought. (Kroker, 1984) The postmodern perspective is in part a response to the political failures of the 1960s and attempts to go beyond narrow academic thinking in order to construct new interdisciplinary frameworks of analysis. It is also a continuation of the work that was begun by a number of political and social thinkers who were trying to identify so-called transformation agents in order to better capitalist societies. The work ranged from a critique of the regionalism of Gramsci to an attempt to create a 20th century agenda of aesthetic politics with the aim of developing a simultaneously self-creative and productive work. In other words, to be self-expressive and politically motivated at the same time and place. This is what the postmodern dependency paradigm seems to be about today; to create centers of resistance to power through a thorough analysis of the changes that have taken place regionally, in the transition from class to mass society and the technological advances that have reflected these changes.

Some Marxist dependency theorists have argued that postmodernism theory represents an attempt to reach back to pre-Marxist positions in order to explain dependency problems. Proponents of Postmodernist theory retort that dependency can never really be understood in this country by holding on to tired mechanistic Marxist theories or being trapped within the increasing empiricism of traditional disciplines such as economics, political science, sociology and communications. The postmodern perspective purports to go beyond the problem to provide an interdisciplinary analysis of the subject through the use of a twisting of language in order to break down the reader's cultural barriers.

To resolve these "ideological dilemmas" associated with regional studies it will be necessary to make several decisions, decisions which will limit our inquiry. To limit a field of inquiry is to do nothing more than to specify the immediate concrete or empirical materials toward which we wish to direct our research. This is not a disadvantage. Rather, to do this requires that we specify the objectives of our inquiry as distinct from specifying the empirical object. Our objective is to understand the way in which settlements in Canada are linked with each other and how this is an expression of the interaction of economic, political-legal and ideological elements within the social formation as a whole. This means at the empirical level we can look at two kinds of data. First, we can observe the

flow of capital, communications, goods and services between regions. These observations can be interpreted as expressions of the logic of developing capitalism; i.e. of particular combinations of economic, political-legal and ideological elements. For example, the "National Policy" of the final decades of the 19th century describes a set of actions in which state and private capital, principally mercantile capital, combined to organize space in a manner which served the interests of capital accumulation and which utilized nationalist sentiment to seal and maintain the bargain.

For example, the populating of the West with people organized for production to provide both domestic foodstuff and staples for international trade as well as a ready market for manufactured goods and linking this complex to the eastern manufacturing centres through a system of railways and canals brought settlements into a particular set of relations with each other and with the social formation. Carl Cuneo examines some of the consequences of this process in his article on class relations and regionalism. He explores the structural linkages among regions in Canada as an expression of the logic of capital accumulation. Using mainly Italian data, Enzo Mingione examines the linkages between town and country and regional disparities as expression of the development of productive forces associated with capitalism. (Mingione, 1975). The objective then includes an examination of the organization

of space in Canada as a whole as well as within particular region. It should be clear that our conception of space does not remove us from the domain of social relations: space is, after all, what people think of it and how it affects their behavior and perception.

Secondly, we can observe localized institutions, organizations, and class relations. The way in which any given locale articulates with regional and national level varies considerably. Cuneo's discussion of regional disparities referred to above points in this direction. Class relations and their political expressions will vary. At the local level in Alberta, one is more likely to find a coalition between mainstreet merchants and farmers than in Saskatchewan where one is more likely to find coalitions between farmers and labour. (Brym, 1978, pp.339-351). In Quebec locales, one is likely to find two factions of the "middle-class" in conflict over control of local institutions. These local variations within and between class relations have implications for local economic, political and cultural institutions.

Hence, the "crisis." How, in other words, was the state to meet or at least appear to meet the growing demands for social and economic assistance while at the same time securing the additional resources to do so without further accentuating the stagflationary economic conditions?

This section of the chapter will examine the main lines of argumentation advanced by two contending schools of

thought. These schools of thought are equally if not more applicable to the Canadian case because of the intellectual roots of the arguments and the crisis "tendencies" which plague our regional economic life.

One of the most prominent spokespeople to have emerged in the last decade, and one who had attempted to resurrect the "appropriate relationship" between the state and the private sector from a populist conservative viewpoint, has been George Gilder. Gilder's writings have been described as uniformly American in character but that is entirely misleading. In fact, the Western Canadian populist tradition has produced a number of leading political, cultural, economic and social thinkers whose work long precedes that of Gilder's. Gilder is simply the latest spokesperson to bring an intellectual coherence to some commonly held notions about our society.

These commonly held notions form one part of the ideological tradition in Canada along with the tory, socialist and liberal traditions. The populist conservative tradition has been most prominent in the West as the dominant discourse for a number of reasons. Alienation arising out of economic deprivation is the most compelling factor among those who argue that there is nothing natural about market forces. I will go into greater detail on populism in another chapter. The point to be made is that economic conditions have an impact on political and social theory. This is true both of the individual and in society.

Intellectual creativity is the outcome. In this case, conservative populism has moved from the unfashionable outposts of regionally-defined influence in Canada to mainstream social and economic thought today.

George Gilder's writings provide a good introduction to one of the current strains in conservative populist thought as well as to remind us of the rich tradition of this kind of discourse in the West. While I cannot give a comprehensive review of neo-conservatism, I would like to explore Gilder's work in some detail. Moreover, the message contained within Gilder's writings has received considerable attention from senior policy-makers in the United States, and given that country's considerable social and economic influence on Canada, new developments in government-business relations spilled over into Canada culminating with such broad policy options as Meech Lake, Free Trade and tax reform. (Chorney and Molloy, 1988) There also appeared to be a "business solution" to the state fiscal "crisis" and the direction in which such a recommendation led towards, incorporated some of the ideas found within this framework.

As a beginning, and at the risk of oversimplifying, the basic thrust of what is now known as the neo-conservative argument is that most of our current economic problems can be traced to a number of interrelated factors which undermined the economic system's ability to create and sustain prosperity. These factors which shall be discussed in turn, include excessive government regulation and

interference within the sphere of private sector activates, an excessive and counter-productive system of taxation, and a flawed government approach to inherent "risks" within the economic system that is counter-productive.

While each of these problems entails a particular and unique solution, there exists a common and basic philosophy underlying all of them. This consists of a fundamental belief or faith that the capitalist system, once unshackled from the grasp of the state, is capable of generating a degree of wealth which can overcome the present crisis. Indeed, it has been noted by some that this belief, especially as articulated by Gilder, resembles a modern day defence of Adam Smith's "invisible hand of capitalism." However, regardless of what type of label one wishes to attach to this economic philosophy, the important point is that the neo-conservative school views the capitalist process and contemporary structures in a much different light than either the Marxian or neo-liberal schools. Hence, unlike the Marxists who maintain that the present crisis reflects, to a large extent, the so-called inherent contradictions contained within the capitalist mode of production, Gilder and his advocates maintain that the capitalist system is inherently dynamic, creative and growth oriented and that these qualities, once liberated from the counter-productive "interference" from the state, will result in a vibrant economic system.

As noted earlier, the neo-conservative approach touches upon several factors which are claimed to be crucial in understanding the present malaise. The first is the area of government regulation. In this connection, two sub-categories can be identified. One centers on regulations which attempt to control or limit to some extent certain "quality of life" hazards which arise from the production process. Specifically, regulations which deal with environmental protection and product safety fall within this category and are cited by the neo-conservative school, as a major contributor to the retardation of economic growth. In general terms, neo-conservatives argue that economic growth is dependent upon, among other factors, technological advances in the production and product developmental process. (Gilder, 1981, p.283). These breakthroughs, they argue are not without risk to the environment or the consumer, but are essential if economic growth is to be sustained. To be clear, they explicitly reject dismantling all forms of regulation, arguing that some regulation of this nature is at times needed. (Gilder, 1983, p.283 and Reform Party Blue Book, 1991). However, there is largely a failure to define in any precise manner the types of conditions that would justify such controls; rather we get the hazy guidance that regulations "should be adopted, whenever the benefits exceed the costs." (Gilder, 1983, p.283).

In this connection, a number of recent Canadian studies have attempted to evaluate, in fiscal terms, the impact of such regulations. One study calculated that the net effect of meeting government regulations in Canada was a reduction in the overall Gross National product growth by one-quarter to one-half of a percentage point per year, because the money allocated to compliance represented lost investment dollars. (Steiner, 1983). The thrust of the neo-conservative argument is, however, that the primary effect of existing government regulations of this nature, is to prevent the successful introduction of innovative production processes and new products, thus short circuiting the necessary move towards a competitive and creative economy; a contention which is evident in the following passage: "The more comprehensive the regulatory systems, the more surely they will be dominated by mediocrities, and the more surely mediocre will be the growth of the U.S. economy. Excessive regulation to save us from the risks will create the biggest danger of all: a stagnant society in a changing world." (Gilder, 1983, p.281).

The second category of regulation and one which is realistically inseparable from the issue of how the state approaches the problem of firms unable to remain viable and competitive, is the area of import and tariff protection. To begin with, this is one issue where one suspects that neo-conservatives differ substantially from a number of other pro-business spokespersons. Specifically, they advance the

argument that the erection of tariff duties, import restrictions, and all other measures which have the effect of limiting the likelihood that domestic economic growth with its attendant growth in employment opportunities, will lead to stagnation. (Ibid, p.284). They go on to state that for the most part, government sponsored protectionism of this kind usually achieves little in terms of aiding small or independent businesses and merely reinforces the production of "declining products." (Ibid, p.284).

Contained within this line of argumentation, is a major theme that appears throughout neo-conservative analysis, namely, that the contemporary crisis is linked to a government created imbalance between two critical components; "risk" and "insurance". This theme is developed by proposing that the modern state through a variety of "insurance" type measures, most notably "generous" unemployment benefits, import quotas, business subsidies, business loan guarantees, etc., has created a social and economic environment in which the element of "risk", (which many firmly believe is essential to innovation and economic growth), has been all but removed.

Further, the State's insurance measures specifically directed towards the business community are biased in favour of large established firms who are far more concerned with protecting existing markets and product lines than in engaging in so-called risk ventures designed with the aim of developing new products. In the U.S., recent examples of

this risk absorption by the state include the federal government's bailout of Chrysler and its loan guarantee for Lockheed, while in Canada, one can point to the substantial federal aid given to Dome Petroleum and Maislin. While some would argue that such government aid is justified on the grounds that failure to do so would ultimately result in exacerbating an already dismal unemployment record, the neo-conservative position holds that in the longer run state aid of this nature simply postpones the inevitable collapse of firms that for the most part are no longer innovative and competitive. Hence, Gilder states: "If the insurer state attempts to absorb all risks of individuals and businesses - of unemployment, inflation, foreign competition, waning demand, etc., - it will find itself overloaded with larger perils and responsibilities than it can well manage."

(Gilder, 1983, p.132 and Reform Party Blue Book, 1991)

Within this framework, the problem is not so much eliminating risk absorptions by the state as it is redefining an appropriate balance between risk and insurance. While neo-conservatives lack precision in this treatment of this matter, they do state that as a general principle, an imbalance between the two can be said to exist if the undesirable conditions that the particular insurance measure is supposed to eliminate results instead of being encouraged. (Ibid, p.132). Thus, in the sphere of government-business relations, subsidies, loan guarantees, import quotas, etc., should be eliminated or dramatically

modified. Failure to take this type of action, it is argued, will place an increasing strain on the state's fiscal resources which in turn are dependent upon a healthy and growing economic environment. (Reform Party Blue Book, 1991).

A third factor which, from the neo-conservative perspective, bears considerably upon business-government relations is the area of taxation. In addition to making the traditional argument that taxes assessed against businesses are too high, neo-conservatives raise a number of other positions. One centers on the claim that the type of public expenditure financed through taxes, is preponderantly of the sort that adds little to increased productivity. That is to say, that government spending, is for the most part a burden upon the private sector. This position is rooted in the belief which is shared by many neo-conservatives, namely, that an extensive and "generous" welfare and income security requires an ever increasing tax base which detracts from potential private sector investment. Nor are transfer payments of this sort the only subject of conservative criticism. In general, public sector employment is labelled with the same charge. This argument however, is taken one step further by stating that the entire notion of Keynesian demand management is fatally flawed in that the key to "real" economic growth does not rest in the attempt to stimulate overall demand through government spending, (be it of the income transfer type which ostensibly provides

purchasing power to individuals who would otherwise lack this capacity, or of the direct type such as public works), but rather lies in the creation of those conditions which will encourage increases in the supply of goods and services.

This embracing of the "supply side" philosophy is clear in the following passage:

"When government gives welfare, unemployment payments, and public-service jobs in quantities that deter productive work, and when it raises taxes on profitable enterprise to pay for them, demand declines. In fact, nearly all the programs that are advocated by economists to promote equality and combat poverty-and are rationalized in terms of stimulating consumption -in actuality reduce demand by undermining the production from the which all real demand derives." (Gilder, 1983, p.62).

The Reform Party of Canada adds to the analysis by arguing that "universal social programs run by bureaucrats..." undermines economic efficiency (Reform Party Blue Book, 1991, p.28). Hence, in a couple of grand, sweeping statements, the construction of the welfare state and government reliance upon Keynesian economic management are labelled as the major sources of recent economic decline.

In a very basic and essential way, the neo-conservative argument fails to appreciate what Marxists and non-Marxists alike have long recognized, namely, that a substantial degree of government expenditures does in fact contribute to national productivity gains. Prime examples of public investment services include education expenditures, construction of transportation systems and a considerable

array of research and development programs aimed at various industrial sectors. Equally, to dismiss demand side management with its attendant welfare and economic security programs as inherently ineffective and counter-productive, is to ignore the significant social and economic progress achieved during the two and one-half decades preceding the mid seventies during which, both features formed an integral part of government economic strategy. Indeed, statements such as "if the politicians want to have central planning and command, they cannot have dynamism and life", are completely inconsistent with much of the post W.W. II economic experience in not only North America, but also in other Western industrialized nations whose economies have been subject to considerably more "planning" and intervention than has been the case in either Canada or the United States. (Ibid, pp.279-280).

In any event, a number of strategies aimed at alleviating the "permanent" crisis emerge from the neo-conservative analysis. All, in some form or another, touch upon Gilder's major thesis that the road to sustained economic development lies in the liberation of the so-called creative powers of capitalism. One of the most critical from the private sector's perspective, is the call for a restructuring of the tax system. Specifically, this strategy entails a general and deep cut in virtually all forms of taxation, and in particular the elimination of capital gains taxes on stocks. (Ibid, pp.263-264). In addition, the

strategy calls for substantial tax expenditures by the government in the areas of investment and research and development credits. (Ibid, pp.263-264 and Reform Party Blue Book, 1991). Some but not all neo-conservatives acknowledge that the scope of the proposed cuts will, in all likelihood, exacerbate the public deficit situation, but in the long run, claim that the cuts will result in a level of economic activity that will generate tax revenues far in excess of the initial loss. (Ibid, pp.271-272).

In tandem with massive business cuts, the neo-conservatives also favour a moratorium on "unnecessary" new government programs as well as a reduction in present spending levels for certain existing programs. (Ibid, p.265). This, of course, is consistent with the general belief among many within the business community that the state is incapable of providing "efficient" services. In fact, in the name of greater efficiency, they advocate shifting a number of public services to the private sector or simply eliminating certain services altogether. The Reform Blue Book states for example: "The Reform Party supports a general program of expenditure reduction or elimination targeted on the following priority areas:

- thick layers of middle management in federal administration.
- federal "pet projects" such as official bilingualism, multi-culturalism...
- foreign aid
- crown corporations
- universal and bureaucratic social policy in areas such as daycare (Reform Party Blue Book, 1991, p.20).

Not surprisingly, Preston Manning and other contemporary neo-conservatives such as Gilder fail to link their cries for greater "efficiency" with the crucial question of whether such efficiencies continue to provide a desirable level of public services.

Finally, as a means of unleashing the "creative destruction" within the capitalist process, (a notion that has been borrowed from the works of Joseph Schumpeter who argued that the fundamental characteristic of capitalism is its tendency to generate new productive processes and thus destroy old ones - along with the firms that failed to adapt), the state should abolish its policy of subsidizing large and "dying" conglomerates whose continuing survival requires vast amounts of public capital. For Gilder, "the possibility of failure is as important to capitalist enterprise as the opportunity to succeed." (Gilder, 1983, p.265) Indeed, for those who argue that the state cannot afford in political, social or economic terms to permit such failures, Gilder offers the following view: "The U.S. bailout of Chrysler will be a disaster if it is used as a precedent for further government intervention. A policy of subsidizing failures will end in an economy strewn with capital guzzling industries long past their time of profitability - old companies that cannot create new jobs themselves but can stand in the way of job creation." (Ibid, p.252). (Contrast this with the Canadian Catholic Bishop's call for emphasis on labour intensive old-line industries,

rather than the new capital intensive technological industries).

In sum, for the neo-conservatives, the solution to the present crisis lies in decoupling the state from any meaningful role in the economic process and allowing the "inherent" creativity within the private sector to generate the jobs, the revenue and the growth that the system is supposedly capable of providing.

THE NEO-LIBERAL PERSPECTIVE

For most of the post W.W.II period, it can be safely said that government economic policy in both Canada and the U.S. was heavily influenced, if not dominated, by liberal thought. In particular, two distinguishing features, Keynesian economic demand management and the emergence of the welfare state dominated state strategy and played a major role in shaping government-business relations. However, with the emergence of the crisis type conditions in the 1970s, both of these contemporary features came under increasing attack and not surprisingly, self-proclaimed "liberals" were hard-pressed to defend their traditional remedies.

While it can hardly be said that there exists today a cohesive "liberal" strategy for dealing with the crisis, (indeed, the same argument, although to a lesser extent, is applicable to the conservative school of thought), one approach has recently emerged which is receiving serious attention from liberal politicians and

policy-makers, both in the U.S. and Canada. This approach has been developed by Lester Thurow and it is one which attempts to respect some of the difficult social and economic choices that have to be made in order to overcome the underlying deficiencies within the present public-private market economy characteristic of both the United States and Canada.

In examining some of the major economic problems to have emerged in the 1970's, Thurow develops two interrelated themes which he claims have come to dominate relations between government and numerous business and other economic actors. The first of these themes is that the proliferation of economic and social problems that arose in the Seventies, (e.g. inflation, stagnant productivity, energy shortages, the rise of environmentalism, etc.), resulted in more and more groups, (including business), seeking protection or security from the state. This is evidenced by such phenomena as the increased use of regulatory devices by the state to afford certain business concerned protection against foreign competition, the enactment of environmental protection laws at the behest of special interest groups, the regulation of energy prices and the provision of income supplements for food producers, to name just a few. (Thurow, 1981, pp.19-20).

This general trend, which Thurow labels "the drive for economic security," is, in many respects, a logical consequence stemming from the real economic losses suffered

by many groups during the Seventies. In a number of cases, especially those involving large industrial institutions, the claim for government assistance is invoked on the grounds that the "national interest" may be jeopardized if such aid is not forthcoming. Thurow contends that to a certain extent, this claim is not a totally unreasonable one. He argues, for example, that tremendous spin-off losses would likely have occurred if the U.S. federal government had not intervened in the cases of Lockheed and Chrysler, in that the collapse of these two corporate leviathans would have resulted in economic losses extending far beyond those suffered by the corporations themselves. (Ibid, pp.21-22). Of course, one of the consequences of this type of state support is that government is hardpressed to deny claims for assistance from small and medium-sized businesses who face similar problems and who, in many cases, have even less access to traditional sources of aid, i.e. their credit lines with financial institutions tend to be more restricted when economic conditions have effectively squeezed the total amount of credit available.

The second theme which Thurow explores centers on the political and social effects of economic growth when it does occur in some industrial sectors. Thurow recognizes, similar to his conservative and Marxist counterparts, that economic growth invariably results in the death of certain products and technological processes and the subsequent birth of new processes and products. (Ibid, p.22). This, in

some cases, although not in all, leads to the collapse of some firms with the resulting loss in economic opportunities for those dependent upon these institutions, while new but different opportunities are created by the successful and innovative. That is to say, he adheres to the Schumpeterian notion that "economic construction is based on economic destruction." (Ibid, pp.22). The problem, however, is that this creative destruction while raising the average level of economic standards, does so at the expense of certain groups. Thus, Thurow states: "Only very seldom is economic growth a process without losers. Average real standards of living rise, but this gain obscures many losses." (Ibid, p.22) He goes on to state :

"Losers naturally want to eliminate their losses, but this can only be done by stopping the economic progress that threatens to cause their losses. As each of us, individually and in groups, searches for economic security, we collectively reduce the rate of real growth and produce an ossified society that is incapable of adjusting to new circumstances." (Ibid, p.22).

The major dilemma then and one that is evident in the present relationship between government and business, (among others), is how and to what extent can the desire for economic growth and economic security be reconciled. Indeed, for Thurow, the inability of the political system to (presently) allocate losses has fairly crucial long-term implications for the very foundations of the contemporary economic system. In his view the business community risks losing its basic legitimacy if it fails to come to grips with this issue.

"As we deliver economic security, we undercut the implicit assumptions of capitalism, democracy, and individual initiative. Economic failure won't, because failures will be protected by government. This reduces the rate of economic progress and removes the rationale for having capitalism in the first place. If government protects and controls, it might just as well own." (Ibid, p.24).

In short, Thurow's thesis is grounded in the conviction that the present crisis can be linked to the inability of the political and economic system to tolerate economic losses. That is to say, public policies which have the effect of increasing the relative wealth of one economic group, invariably entail relative losses for a different group which in turn results in the mobilization of political pressure by the latter to force the state to provide some form of compensation. Hence, a certain degree of paralysis sets in as the demands upon the state's fiscal resources begin to exceed its capacity to raise the required revenues. The end result is that the state is unable to satisfy neither the demands of those groups pressing for economic growth, nor those emanating from groups demanding increased security.

The solution to the crisis from Thurow's perspective, will rest in the ability of the state to embark upon an economic strategy which explicitly recognizes the need to make "equity decisions." (Ibid, p.194). That is to say, the state must lead the way in determining which economic groups are to suffer income losses and to what extent, if at all, they are to be compensated. To be clear, however, Thurow draws an important distinction between

business enterprises and individuals in his treatment of this strategy. While particular business institutions may be identified as unworthy of continued state support, individuals who are adversely affected by such decisions should not be expected to bear the consequences, and hence should receive generous financial compensation from the state. In this regard, Thurow differs significantly from neo-conservatives like Gilder, who while agreeing that failing enterprise should not benefit from government largesse, disagree with the notion of increased state fiscal support for dislocated individuals.

For Thurow, a number of specific measures are required to overcome the present crisis. The most important of these relate to the problem of attempting to reverse the recent lag in productivity and in this connection, his strategy carries major implications for government-business relations. To begin with, he advocates accelerating the process of disinvestment in such industries as steel, textiles and shipbuilding where either falling demand or obsolete production techniques have resulted in terminally ill enterprises that are unable to survive without considerable government aid, (either in the form of import restrictions or direct subsidies). (Ibid, p.77-81). Moreover, for Thurow, these types of industries despite their problems, are often successful in securing capital because of their historical cash-flow record, and thus end

up diverting much needed resources from high growth but equity poor enterprises. (Ibid, p.96.

This leads Thurow to his second recommendation that for the purpose of allocating more efficiently capital raised in private markets, a "national corporate investment committee" be established. (Ibid, pp.95-96). Thurow does not describe in any detail how this investment committee would function. His sole reference to it is merely to indicate the need that private sector investment be redirected from "sunset" to "sunrise" industries and in this regard he states:

"...sunset industries often have access to plentiful funds for new investment. They can reinvest their internal savings, but their steady cash flow also lets them borrow in the capital markets. Often these investments should not occur. A national investment committee could help make sure they did not occur."(Ibid, p.96).

In addition, he proposes the establishment of a national investment bank which could play an important role in directing "funds toward areas of major national interest." (Ibid, pp.96). In a functional sense, this bank would closely resemble the central bank in Japan and a number of Western European countries, although Thurow indicates that it "could be regarded as a competitor with private banks." (Ibid, p.96).

Another measure central to the revival of economic growth is increased governmental support for "process" research and development. (Ibid, p.92). In this connection, it is Thurow's contention that the past three decades have been characterized by a bias towards "product" research and

development, with the end result that much needed improvements in the production process have failed to materialize. Thurow claims this state of affairs is linked to two reasons. The first is that "new products are always more glamorous than new processes for old products." (Ibid, p.92). The second reason is that there exists an ideological barrier to the idea of providing public funds to process research and development in an economy that is essentially privatized, i.e. providing funds to a particular private institution to improve production techniques clearly represents a deliberate attempt at raising the income of the recipient institution, whereas the benefits of public funding for product development in universities, for example, cannot be linked a priori to a particular firm. (Ibid, p.93).

While it is debatable whether the public at large makes such a distinction, the essential point for Thurow is that U.S. industries, in order to regain international competitiveness, must be encouraged to engage in substantial research and development aimed at achieving major improvements in the production process. To this end he suggests substantial state involvement and believes that the success of this new relationship between the state and the private sector will help certain industries at the expense of others, (i.e. his notion of "explicit equity decisions"); (2), that there is nothing inherently wrong with this method of using public funds to increase the profits of some

business enterprises, provided one has a fair taxation system, and; (3), "process innovations paid for with government funds should be available to everyone in an industry. (Ibid, 94).

A fifth measure necessary to promote economic growth entails a complete restructuring of the U.S. taxation system. In this regard, Thurow's views, to a certain extent, reflect those of Gilder in that he advocates the abolition of the corporate income tax. (Ibid, p.97). He argues, for example, that in addition to being grossly unfair, (i.e. there is no semblance of equity at all between the individual whose income is primarily derived from corporate sources and the individual whose income is primarily wage-related), the corporate income tax is also highly inefficient. Specifically, he contends that the existing tax system encourages business enterprises to seek debt capital, (because interest payments on business loans are tax deductible), and thus discourages firms from seeking equity capital, because dividends are taxable.(Ibid, p.98). The elimination of the corporate income tax would, according to Thurow, terminate this bias and improve the efficiency of the private capital market. However, while proposing that the existing corporate tax system be eliminated, Thurow does not advocate eliminating taxes on business per se. Instead, he suggests that corporate and personal income tax be incorporated so that all income, regardless of its source, be taxed at whatever levels are set. (Ibid, p.101).

Having proposed that the key to revitalizing the economic system lies in accelerating the demise of sunset industries and by logical extension, accelerating productivity gains in sunrise industries, Thurow is faced with the difficult task of designing a system whereby dislocated individuals are somehow compensated. While, as noted earlier, Gilder prefers to cling to the ideal that these individuals will somehow find their way into the arms of new industries that will magically spring forward once capitalism is "liberated," Thurow argues that both public-policy makers and business representatives should acknowledge that the private sector has never shown itself capable of producing "full employment" and that it never will. Thus, once dying industries are terminated, the problem of those deprived of economic security remains, and as Thurow states, "to simply recommend that they give it up is to shout at the wind." (Ibid, p.209). His proposal is that a combination of state sponsored employment opportunities, coupled with generous compensation for the dislocated be adopted. (Ibid, p.211)

In sum, Thurow's overall strategy would considerably alter the make-up of government-business relations. For some business enterprises, namely those that have been identified as high growth or of the "sunrise" type, Thurow's strategy promises substantial rewards in the form of subsidized process research and development; better access to private capital pools, incentives to seek equity

financing, etc. For others, the strategy spells eventual demise, as direct and indirect protective measures are removed and as the process of disinvestment takes effect.

While not directly challenging the basic framework of the public-private economic mix presently characterizing the U.S. (and one might add the Canadian) economy, there is little doubt that Thurow's prescriptions imply a significant shift in favour of greater state development: a shift which is understandable if Thurow's thesis that collective action (as opposed to private economic decisions) is necessary to remedy the crisis, is in fact accurate.

Therefore, it is arguable that while the analyses of the neo-conservative and liberal schools of thought differ in the specifics of the economic crisis, both in a broad sense speak to the theme that a serious imbalance exists between the imperatives of economic growth and economic security. For Gilder, the crisis stems from a state induced imbalance between economic "risk" and "insurance", while for Thurow, the crisis is to be viewed as the consequence of the state's inability to allocate income losses, thus resulting in a stalemate between the social and political forces advocating economic growth and those pressing for economic security.

For each, the solution to the crisis requires a restructuring of the relationship between the state and the private sector, with recommendations ranging from more government intervention to a full-scale government retreat

from the private sector. In Canada, it is clear that the state is re-emphasizing the private sector as the "engine" of economic growth and stability.

Western Canadian politicians have understood this distinction very well in their attempt to mythologize the structural-dependency problems that they face. (I refer to structural-dependency in the sense that Roland Barthes understood it as a way of universalizing "common-sense" notions as concrete neutral data). As a result they have proved adept at grasping the slippery resource ring in an attempt to overcome the "boom and bust" business cycles of international markets. The result is a strange Canadian "home grown intellectual brew" which incorporates elements of both the neo-conservative and neo-liberal schools of thought. To illustrate: The failure of resource exploitation to provide secondary spin-off industries is blamed on "socialist" inspired pieces of legislation such as the N.E.P. and the problem of the lack of a self-generating growth process is dealt with through the use of "anti-Ottawa" populist bashing.

Regional Consciousness

The behavior of conservative Canadian leaders would thus be understood as a manifestation of their activity as support agents of a system of relations which ties the contradictions of capital accumulation to the regional economy and the ideologies which reinforce the

operation of that market. Regionalism in this sense refers to a set of often contradictory organizing principles that may make little analytical economic sense because of political and social questions. The federal government can follow one set of neo-conservative regional prescriptions on a national level while provincial governments must follow another set or at least try to mask the commonality. The governments of Alberta may historically be critical of the federal government's spending practices on a national level but regionalism demands policy instruments such as the Heritage Fund in order to engage in province-building strategies. It is also a matter of conceptualization.

The way in which we conceptualize a region and our approach to regional studies must be able to cope with the relationships or linkages between microcosm and macrocosm. A case in point is the fact that a lack of a sufficient industrial base in Western Canada lies at the heart of much regional discontent. By this I mean (as I have stated before) that the issue of regionalism as a form of consciousness, is a socially shared, generated, and transmitted set of interrelated beliefs, with a recognized history and constituency and with recognized spokesmen and carriers of the creed. Furthermore, the Federal Government's departmental initiatives directed towards the business community were biased in favour of large established firms who were more concerned with protecting existing markets and product lines than in engaging in so-called risky regional

ventures designed with the aim of developing new products. The Western Development Fund was established in 1980, as a response to these problems but because of the state of Federal/Provincial relations at that time and the lack of proper planning, "the program was hardly one of regional development in any meaningful sense." (Norrie, 1986, p.140) With the onset of the worst recession since the 1930's in Canada, there was a renewed debate surrounding the complex issue of the role of the state in economic planning as well as its role in providing for the social needs of the nation. The debate was as usual, as political and social in nature as it was a question of pure economics. On the one hand, conservative forces, especially those in the business community, were arguing that "excessive" government interference in the market system was contributing heavily to the poor economic conditions at the time. On the other hand, dependency theorists pointed to severe structural deficiencies in the Western regional economy of the type that we have described earlier and argued that only renewed government intervention would resolve these weaknesses.

The Western Diversification Fund

In short, these economic "crisis" conditions provoked a number of related social and political conflicts. On the one hand, rising unemployment and increasing demands from private sector firms for governmental assistance, placed further pressure on the state to somehow compensate

those adversely affected as a result of the economic conditions. On the other hand, to meet these needs would require increased levels of fiscal resources which the state was in a poor position to secure, in that the state's major means of raising additional revenues (in the immediate term at least), was through increased taxation. However, its traditional sources of taxation (i.e. personal and corporate) were by no means ideal choices as the recessionary conditions had effectively reduced the ability of these two groups to "foot the bill" so to speak.

Hence the "crisis". How, in other words, was the state to meet or at least appear to meet the growing demands for social and economic regional assistance while at the same time securing the additional resources to do so without further accentuating the stagflationary economic conditions? The Mulroney Government's response was to turn to the a "free market" solution: The Western Diversification Fund. Bill C-113 was passed in the Spring of 1988 as "an act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts..." (The House of Commons of Canada, 1986, pp.35-37).

Rather than examining the historical underdevelopment of the West as an economic hinterland, the blame for the relative absence of secondary manufacturing was attached to a combination of interrelated factors which

have cumulatively undermined the regional economic system's ability to create and sustain prosperity. These factors included excessive government regulation and interference within the sphere of private sector activities (the so-called crowding out effect), an excessive and counter-productive system of taxation, a flawed government approach to economic stimulus measures and a government approach to inherent "risks" within the economic system that was counter-productive. And while each of these problems entailed a particular and unique solution, there existed a common and basic philosophy underlying all of them. This philosophy consisted of a fundamental belief or faith that the capitalist system, once unshackled from the grasp of the state, was capable of generating a degree of wealth which could overcome the "fiscal crisis of the state".

The Mulroney Government in accordance with that general dictum, began to develop regional strategies in accordance with such national policies as free trade, deregulation and privatization, deficit "tinkering" on the expenditure side, tax reform, the Meech Lake Accord and foreign aid. Each of these decentralizing policies, coupled with a "consultative" Federal Government, was supposed to provide individuals and provinces with more financial maneuverability. Free Trade was especially emphasized as having important implications for Western Canada. For not only would Free Trade protect mineral and agricultural exports to the U.S., but it would also counter the

historically "discriminatory" East/West trading bias in favour of the more "natural" North-South market. (Minister of Supply and Services, 1988).

Deregulation would provide regional benefits through a reduction on regulations which attempted to control or limit to some extent "quality of life" hazards which arise from the production process. Specifically, regulations which dealt with environmental protection, product safety, etc., fall within this category and are frequently cited as a major contributor to the retardation of economic growth. In general terms, it has often been argued that economic growth is dependent upon technological advances in the production and product developmental process. These breakthroughs are not without risk to the environment or the consumer, but are essential if economic growth is to be sustained. The recent amendments to the Drug Patent Act could thus been seen as a method for increasing research and development in Canada by removing existing government regulations which could short circuit the necessary move towards a "competitive and creative economy."

Contained within this line of argument is a major economic policy theme of the Mulroney Government: that the contemporary crisis is linked to a government created imbalance between two critical components, public and private capital. Simply put, the shortage of private sector activity is seen as both the cause and the legacy of underdevelopment. To the extent that this shortage reflects

real economic factors—a deficiency in natural resources, distance from markets, climatic problems—government intervention may not be called for. However, to the extent that the shortage reflects imperfections and biases in Canadian markets or is caused by the previous lack of activity in these regions, which has stripped them of their growth momentum, then government intervention must be a necessary part of the overall development effort. In general, Federal public sector investment has been labelled with this charge. The key to "real" economic growth does not rest in the attempt to stimulate overall demand through government spending, (be it of the income transfer type or of the direct type such as public works), but rather lies in the creation of those conditions which will encourage increases in the supply of goods and services.

Thus regional problems would be alleviated through a reversal of the "trickle-down" effect as the wealth would flow from the individual to the region in accordance with Monetarist/supply side economic theory. Regional development was to be a by-product of a government which came to power at a time "when the business cycle was entering an upward phase thanks to renewed consumer spending centered on the housing market and the purchase of household goods."

(C.C.P.A, 1988, p.2) "The arrival of the Yuppies" in the early 1980s did not happen as forecast however. On a regional basis, "Alberta and Saskatchewan grew at half the national average (2% versus 4%), and Newfoundland at less

than half the average (1.7%), British Columbia (3.6%), New Brunswick (4.1%) and Quebec (4.3%) experienced about average growth, while Nova Scotia lagged (2.5%) behind the national average." (Ibid,p.2) Labour market developments followed suit with employment growth strongest in Southern Ontario and weakest in the Prairie provinces. No other region had experienced growth significantly below the national average. (Ibid, p.16)

As a result of this regional economic "segmentation", as well as a number of political factors, the Mulroney Government began to place an emphasis on more direct regional strategies with private sector implications. Direct regional strategies included the development funds targeted for the Western and Atlantic provinces as well as Economic and Regional Development Agreements (ERDAS) and "Free Enterprise Zones." The Western Diversification Fund with it's decentralized departmental organization and lines of credit was developed as a support mechanism for the government's overall "free market" policy orientation. Designed to create "new products, new technology, new markets, productivity improvements and import replacements for Western Canada", the Western Diversification Office has essentially provided loans to businesses which, for the most part, could have received private funding regardless. Moreover the W.D.O. seems to have moved away from it's original although unwritten mandate of aiding very small businesses (\$25,000) to becoming involved in larger scale

enterprises (\$100,000). There have also been some press reports which have indicated that the fund is being used for political purposes in terms of providing loans to companies in certain Ministers ridings.

The main point to be made however, is that the implementation of the Western Diversification Fund sends out all the right "signals" because it represents an ideological orientation which is supposedly suitable to the Conservative "will" in Western Canada as well as to the business community both here and abroad. Federal regional strategies are therefore limited to some public sector participation in private sector ventures and the occasional political project. Some would argue that this may have always been the case in Canada. However in a period where economic unity and disunity are so prevalent not only in the same country but in the same region, the implications of such regional strategies as the W.D.F. are far reaching. If the Federal Government continues to design national policies which are not regionally sensitive such as the high interest rate policy, during the late 1980s, Canadian unity will be sorely pressed if the harsh economic downturn does continue. Canada is not a unitary state as our economic performance will attest and the ideological determinism of "free market" policies will only expose regional differences further.

The Federal deficit has been used historically to justify certain ideological positions as theory-neutral solutions. (Chorney, 1989) It remains doubtful whether or

not the deficit can be successfully presented as the major barrier to regional growth and more economic independence for Western Canada. This will remain true even though past Federal Government institutional attempts to intervene directly in regional economies have been described as ultimately benefiting central Canada at the expense of the rest of the country. (Kilgour, 1988) It is also clear that simply appealing to the private sector will not solve the problems of regional underdevelopment in Canada. Instead it appears that only a radical change in our economy would be able to at least address the root causes and effects of underdevelopment. The alternative, from a socially progressive standpoint, is to accept a permanent state of dependency with all of the obvious implications.

The Western Diversification Fund may suffer the same fate as earlier attempts on the part of the Trudeau Government to gain more political support from the West. Western economic diversification will not occur as long as we have a Canadian ideological concentration.

One of the major determinants of this fate will be the state of political movements in the Prairies . In order to explore this I turn in the next chapter to a consideration of Prairie populism.

CHAPTER FIVE
PRAIRIE POPULISM AND THE REFORM PARTY

"Finally, the conception of transition proposed is "populist" rather than proletarian or elitist in the sense that it assumes that the ultimate locus of the creative imagination required for an epochal breakthrough is preserved and rekindled in groups and communities whose everyday life experience has not been fully incorporated into the ethos of the dominant civilization."

Ray Morrow,
The New Canadian Political Economy,
(1982).

Following this lead quotation, the purpose of this chapter is to examine the limits of populism as a "counter-evolutionary" strategy in Western Canadian culture. After dealing with the general concept of populism, I will explore the "progressive" case of the CCF populist party in Saskatchewan and the development of the right-wing Reform Party from a regionally-based movement to a national party. My conclusion will be that populism as a political force can have a "counter-evolutionary" force for affecting social change both on the left and right of the political spectrum. However, the hegemonic limits that are placed on a left-wing populist party are much more significant than that which would face a party of the "right." The hegemonic limits are not simply capitalist responses to socialism and social democratic parties, but conservative "popular culture" ideas that have become part of public discourse in Canada. (Morrow, 1982, p.77). As such these "populist cultural" ideas have often been used to create a sense of regional "false consciousness" to disguise the political, economic

and social problems that local populations face in Canada. The federal Reform Party is the latest populist organization to perpetuate a false sense of regional consciousness for political gain. This political gain is made all the more so in the absence of social-democratic populist alternatives in the West. Richards has written:

"In the absence of a left populist response, there is in Canada a growing right populist reaction, one illustration of which is popular support for Western separatism. Resurgent right populism in Canada is inspired by American precedents, organizations in opposition to 'big government' and in defense of traditional family virtues and evangelical Christianity. The 'New Right' is undeniably populist in organizational style and ideology." (Richards, 1981, p.25).

As a category, populism "allows for such imprecise and seemingly contradictory use" that it "is among the more exasperating expressions of political discourse." (Ibid, p.5). One must therefore be quite specific in the use of the term. Populism in this thesis refers to political movements, ideas, individuals and ideologies that are so integral to traditional Western Canadian economic life that they have become part of the popular culture. Prairie populism is, in large measure, "a cultural celebration" through "a resurfacing of economic resentments" which cry out for further elaboration. (Dorland, 1988, pp. 130-164). Indeed, it is difficult to spend any amount of time traveling through the West without listening to a litany of alleged "crimes" that Eastern Canada has committed against the West. Political movements emerged as a reaction to the lack of economic power in the Prairies as "an internal

colony." (Brym, 1978, p.341). Prairie populism is used to describe the ideas and supporters of particular political movements such as Social Credit or the Co-operative Commonwealth Federation. Party leaders were for the most part, rural people. i.e. farmers, small-town merchants and clergymen. Many "populist" movements could be identified as mainly ideological; coming from Conservative, Marxist, Socialist and Fascist variants. (Richards, p.6). Populism is supposedly something more however than a mere carrier of a particular ideology. That is a spirit of the people and of the land that makes them into such a powerful force.

There are however various economic and cultural shadings to populism in the West. Laycock points out that economic exploitation per se, does not account for the diversity and richness of the oppositional forces that have developed in the West. (Laycock, 1990, p.7). Rather one must look to "the people", "participatory democracy", "co-operation" , "the state", "the good society" and "technocratic decision-making." (Ibid, p.6). These six dimensions account for much of the contradictory "impulses" that one can find in examining specific Prairie populist party histories in the West.

The fundamental strategy of populism as an organizing principle, is to mediate the impact of universal civilization with elements derived indirectly from the peculiarities of a particular grouping. Populism may find its governing inspiration in such things as the range and

quality of its environment, or in an effect from a peculiar structural mode, or in the decisions of the people and classes of a given site. (Brym, 1978, p.340).

When one looks at Western Canadian populism for example, one sees movements which were and are for the most part vague and undefined in terms of clearly articulated, overall political strategies. And while the leaders of such movements were able to whip their supporters into a feverish pitch of emotion in order to carry them to power, a number of internal and external contradictions have limited them to only brief periods of hegemony. Those brief periods have however left an indelible mark on the Canadian body politic for all to see.

When one examines Western Canadian populism and episodes such as the "Crow Rates", one sees an example of what Raymond Williams refers to as a residual culture. The term residual "means that some experiences, meanings and values, which cannot be expressed in terms of the dominant culture, are nevertheless lived and practiced on the basis of residue cultural as well as social- of some previous social formation." (Williams, 1983).

There are two good examples of this in the history of Western Canadian populism. First, there was the partial use of religion as a signifier in the early rise of the Social Credit Party in Alberta, under such people as William Aberhart, which later lost this locus within a secular dominant system. Secondly, there was the question of

origins, which provided the populist nature of Social Credit and the Cooperative Commonwealth Federation to a great extent.

The great problem is that the members of such movements have usually been skeptical of political organizations, including their own, to the point where they have been limited to a few brief periods of hegemony. In his seminal article, "Populism: A Qualified Defense" John Richards (1981) argues that the "fragility of support may be explained by the traditional populist mistrust that differentiation within mass organizations, while potentially conducive to efficiency, transforms leaders into privileged elites with discretionary power." (Richards, 1981, p.15). So while not only facing the threat of a hostile federal system, populist parties of Western Canada also contained their own seeds of destruction.

Historically the main limits to populism in Canada have come through the power of an increasingly sophisticated communications network. It is here that Williams again makes an important contribution in examining the way culture has been "made over" in a selective fashion as part of the market mechanism. Williams understood that the means of communication, both as produced by a system and as a means of production, are directly subject to historical development.

The push in Canada has traditionally been for a more centralized form of government with less power to the

provinces as a way of establishing a more equitable system for all and as a way of resisting the onslaught of the United States. I think that these two objectives are an example of the selective cultural reproduction of certain myths in Canada. It is the provinces that have sometimes been at the forefront of socially progressive programs in Canada while the federal government, after making sure that such programs were struck down as illegitimate, followed up with some minimal concessions at a much lower level and at a slower pace. As for the myth that provinces are an obstacle to the cultural resistance of a strong central government, historical evidence has pointed to a different conclusion.

A case in point is that of the C.C.F. in Saskatchewan which came about as an attempt of organized farmers to get into politics during the depression. It may be safely assumed that for organized class protest to develop there must be some widespread experience of deprivation. For prairie farmers this has always been related to the problems of income security. Given this, there must be adequate means of communication among those who are subject to deprivation or exploitation in order that they develop some feeling of common identity.

Robert J. Brym's study of the failure of the United Farmers of New Brunswick in New Brunswick provides strong testament to this point. (Brym, 1978). And although interaction in Saskatchewan was limited by geographical factors until telephones, radios and cars became numerous,

agrarian problems were listed in farm journals, such as the Grain Grower's Guide. Political ideas, as John Conway pointed out, were also promoted through co-operative associations and grain grower's associations which emerged after the turn of the century. (Conway, 1983, p.127).

These organizations were the training ground for protest leaders among the farmers; the roots of the C.C.F. and Social Credit populism live there; it was the depression of the thirties which stimulated a more radical expression of populism than was found in the Progressive movement or in provincial Liberal parties.

In assessing the C.C.F.'s ideology as populism, it is necessary to come to understand that many leaders of the C.C.F. saw it as a socialist party in opposition to capitalism. The Regina Manifesto adopted by the C.C.F. as its program at the first national convention seemed to point in that direction-at least on the surface. It began with the statement:

"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 upon economic equality, will be possible."
(Conway, 1983, p.129).

The economic policy of the Manifesto contained, as Richard and Pratt pointed out, "all the traditional left populist demands-security of terms for farmers against their creditors, stable agricultural prices, no economic protectionist measures to hinder possible farm exports,

socialization of all the natural resource industries."

(Pratt and Richards, 1979, p.94). What distinguished the Regina Manifesto was the emphasis placed upon the role of the state in economic planning. But such ideas were for the most part vague and undeveloped.

By 1934, the Saskatchewan C.C.F. was in the process of dropping its socialist programme for the state ownership of land and was becoming a party of populist reform. The elements of socialism in the C.C.F.'s programme did not challenge the dominant form of economic production in Saskatchewan (the family farm) but rather provided for its continuation. That such a policy might involve government control, or even ownership, of the forces which were affecting the farmer was consistent with traditional agrarian populist ideology. The Saskatchewan C.C.F. was also influenced by the urban labour background of some of its leaders and by association with the rise of the national party, which was not farmer dominated. Therefore, the party enacted legislation which was more favourable to the rights of labour than elsewhere in the country. Yet, as Lipset pointed out, this was a trade union programme, not a socialist one. Even in the C.C.F.'s state enterprises, there was no commitment to worker's participation in management. (Lipset, 1968, p.22).

In the late thirties, public reference to socialism was usually in C.C.F. speeches and literature. When T.C. Douglas became the party leader, the concept of socialism

reappeared, but it now meant either opposition to monopolies or extension of the cooperative movement. In this, the C.C.F. contained the tradition of pragmatic agrarian populism under the label. The cooperative commonwealth is still based on capitalist property relations. One can therefore question the C.C.F.'s statement about the relationship between co-operation and socialism, namely that "their fundamental principles and objectives are the same." (Richards and Pratt, 1979, p.95). This, as many people have pointed out since, can only be true if socialism can be defined to exclude a social revolution. In 1945, legislation was passed to allow the establishment of collective farms in Saskatchewan but only 29 were set up. This was the limit of the socialization of agriculture.

C.B. Macpherson and Prairie Populism

In the preceding paragraphs, I have tried to show the populist character of the Saskatchewan C.C.F. but why did populism develop in Western Canada? One possible explanation has to do with the influence of a person's class position or his political action. One important attempt to analyze the class basis of prairie politics is found in C. B. Macpherson's Democracy in Alberta (1962) in which the author argues that the most useful way of categorizing people in order to understand political action is based on the relationship to the productive process-in particular, "how much freedom they retain over the disposal of their own

labour, and how much control they exercise over the disposal of others' labour." (Macpherson, 1962, p.225).

Macpherson argued that the mixture of "radicalism" and conservatism which dominated so much of Western political life stemmed from an increasing class-based reliance upon the mechanisms of capitalism. For example, acceptance of cabinet government and the party system by the U.F.A. in 1921 and 1931 as well as the Social Credit's concessions to capital were a good illustration of the limits to populist reform under "radical" movements. Both the U.F.A. and the Socreds preached against the evils of "big business" civilization without actually changing the relations between exchange and production.

This was why, according to Macpherson, Alberta remained a quasi-party system. Democracy had become embedded in the shifting ideas of social equality in the "new frontier." The nature of liberalism however, combined with the economy rendered a working class that was non-assertive and inward looking. Any ideological attempts at oppositional policies to capital fell away once the populist parties were elected and stood "in the maelstrom." From this perspective, the farmers of Western Canada are a good illustration of the aforementioned point. Their ideological consistency has been uneven and probably has not yet ended oscillating between radicalism and conservatism.

Farmers form part of the petite bourgeoisie, a concept which points to a class of small-scale entrepreneurs

who are self-employed and employ little or no labour outside the family. In Canada, they would form the transitional marginal remnants of a past era. (Ibid, p.227). The various sections of the class were united by their belief that they are independent. But as Macpherson pointed out, their independence was illusory, because they were still under the thumb of large-scale labour utilizing capitalists, who controlled the price system. The small producer would however, still be able to decide for himself when and how to use his own labour.

This concept is well summed up in Macpherson's work on property. The concept of property is fully applicable only to an autonomous market society. That is the right to exclude others from the use or benefit of something. It is not that Western Canada forms the basis of an autonomous market society but rather its inhabitants perceive it to be as such.

A number of writers ranging from S.M. Lipset to William Leiss have criticized Macpherson's analysis of Western Canadian and particularly Albertan society as sociologically flawed. Leiss, in particular, argued that Macpherson's "conceptual apparatus" was flawed because "his concepts of class and class consciousness could not adequately represent events." (Leiss, 1988, p.70-71). Specifically, the notion that populist "false consciousness" accounted for a series of non-traditional parties becoming governments that charted a course between authoritarianism

and more participatory democracy in Western Canada was heavily criticized. The result was a failed attempt to unite political theory with the "empirical" detail needed to flesh the class populism of the quasi-party system. (Ibid, p.72).

One of the most detailed responses to Democracy in Alberta is Alvin Finkel's study of the history of the Social Credit movement in Alberta. While taking issue with Macpherson's oversimplifications of Prairie society, Finkel does clearly point to the limits of radical policies in an underdeveloped region which relied heavily on mostly foreign private resource companies to help drive the economy. (Finkel, 1989). The charismatic speeches of an Aberhart to a citizenry brutalized by depression circumstances may have set the stage for a radical policy agenda. The problem however, was how to govern with the same agenda when business, labour and the media could consistently provide more "real" pressure than disaffected voters. When Aberhart's own constituency association attempted to use recall measures to remove the Premier for his perceived callous attitudes towards the poor and unemployed, the government introduced legislation to do away with the recall mechanism. How then did Social Credit hold on to power for so long? Finkel argues that the progressive elements that supported the party were abandoned along with the party's doctrine in favour of a conservative social, economic and political perspective. The business community and major media organizations eventually embraced the party as a

result. The result was the development of a mainstream party that maintained the fiction of radical populism as a political marketing tool.

Prairie Alienation

Another possible explanation for the development of populism in Canada is the concept of what has been called prairie economic alienation. Although the idea of alienation has deep roots within western intellectual thought, it was Marx, building from the works of Rousseau, Smith and Hegel, who propelled the term into the lexicon of social sciences. (Gelnour and Lamb, 1975, pp.6-10). In the rise of the industrial state, Marx saw the alienation of man as arising from the changing labour process of capitalism. (Chorney, 1990, pp.10-33). With the rise of mass democratic states, alienation came to be considered a political as well as an economic phenomenon, and thus political alienation emerged as a subject of concern.

Prairie economic alienation has often surfaced as a major issue on the Canadian economic political scene. Two points seem to come up again and again: first, the belief that Western Canada is badly treated by the electoral system that is unbalanced because of demographics in favour of Ontario and Quebec. A case in point was the 1974 national election where the Liberal party came within a seat of forming a majority government before the polls had closed West of the Ontario border. But, the West's all but total

rejection of the Liberal Party had little impact on the national results.

A second point is that as a result of such political domination, the national economy has been created to serve the financial and manufacturing interests of Eastern Canada at the expense of Western Canada in general and of Western producers in particular. This theme finds expression in so many ways that it has become as self-evident as the West's unique physical landscape.

Prairie economic alienation also embodies a sense of cultural estrangement from the heartland of Canada. As a creed, it dates from the early European settlements on the prairies and Archer's description of it could as easily have been written in the early 1900's as in the early 1990's:

"In the West the needs of alienation were planted early. The roots were deep. The West believes that Central Canada-Eastern Canada in Everyman's language-was the real beneficiary of Confederation. The Prairies are not grateful for the colonized heritage...there is a widespread feeling in the West that Eastern politicians, financiers, and businessmen have no real understanding of conditions in the West and have no desire to learn." (Archer in Burns, 1971, p.231).

The belief content of Western alienation has not been static. For example, traditional agrarian protest through historical episodes such as the "Crow Rates" has given way to more urban-based political concerns as evidenced by the policies of the latest right-wing populist movement, the Reform Party. The Reform party will be dealt with in detail in the latter section of this chapter. However, changes in the demographic, religious, economic or

political make-up of the West have not affected the response to perceived Eastern "slights." Each "slight" only adds further fuel to a fire kept glowing through a mixture of dissatisfaction with the fate of a small region in an era of neo-conservative economic policies and unhappiness with the political distortions in such a system that are tolerated by the federal government.

It is easy to understand why populism, as an ideology predicated upon the worth of the common people could find such fertile soil in advocating a political response to Eastern/Federal Government "oppression." Within the C.C.F. and to a lesser extent Social Credit, a close identification with the citizenry was always seen as natural. As Tommy Douglas stated, "This is more than a political movement, it is a people's movement, a movement of men and women who have dedicated their lives to making the brotherhood a living reality." (Douglas, 1943). The C.C.F. developed a form of delegate democracy which provided institutional means for the mass membership to retain control over its representatives. (Sinclair, 1973, pp.419-433). The party leader had to be elected at least on a formal basis by convention each year and policy resolutions were not considered binding until passed by the annual convention. (Ibid). One should not overstate such direct democracy mechanisms in a movement which ran according to the will of usually charismatic leaders. But it is important

to understand the influence of progressive populist ideals on the formal organization.

The C.C.F. stayed in power in Saskatchewan by appealing to economic and social concerns rather than stressing doctrinaire policies and theoretical considerations. The legislative program of the government, as well as its annual budgets, from 1948 onward reflected this fact. (Conway, 1983, p.144). There were no new experiments in public enterprise and the government allowed future resource developments to be carried out by capital. The decision was motivated by a deep political doubt of how the increasingly politically conservative electorate in Canada was going to accept public ownership beyond essential services. The commitment to public ownership of resource development was therefore dropped, and not picked up again until the initiatives of the N.D.P. government in the 1970's under Edward Schreyer.

The moderation of the C.C.F. signaled a quieting of protest in the West. The movement had begun by advocating an aggressive restructuring of capitalism, and of Confederation, in favour of the farmers they represented. The federal government helped subdue the expressions of discontent through a series of gradual concessions and the threat to use force to counter "radical" political protests. Unemployment insurance, old age pensions, family allowances all became federal responsibilities. Regular federal equalization payments to needy provinces established

a guaranteed minimum provincial base. Federal support and aid to agriculture through the Canadian Wheat Board and the Crow statutory rate further assisted the development of the West.

The election of the Diefenbaker government in 1957, and his sweep in 1958, rooted partly in his populist appeal, helped end the governance of the C.C.F. Diefenbaker promised he would redress Western problems with concrete action in Ottawa. His "northern vision" foresaw an era of growth and prosperity which would not only diversify the Western economy but elevate the West to its proper place in the nation. (Conway, 1983, p. 176). His rhetoric denouncing the federal Liberal Party as well as its "eastern backers," spoke to Western alienation. As a result the populism of C.C.F. fell into general decline.

The West's structural problems remained. Modifications were developed in response to the West's appeals, but only on federal government terms. i.e. what could be given could be taken away. Western diversification was not really advanced any further although the list of resource exploitation grew. No concessions were made to what Vernon Fowke called the political and economic terms of "national integration." The structure of Confederation and the economic role of the West in the national economy remained roughly in the same place as when Clifford Sifton called for the exploitation of "the wealth of the field, of

the forest and of the mine...in vast quantities." (Fowke, 1957, p.93).

Poised on the edge of national destruction in the late 1950's, the C.C.F. was not able to refocus its national agenda and so gave way to the formation of the N.D.P.; although not without significant bitterness. (Melnik in Pratt, 1986, pp.40-56). This agrarian populist movement had however contributed to significant change both provincially and federally to the point where Western alienation seemed to be in decline. In Saskatchewan, the "vigorous consciousness of common interests" to which Macpherson referred was no longer experienced by the members of the petty bourgeoisie. It is doubtful whether "agrarian class unity will emerge out of economic conflict to the extent that we can talk about united class action." (Macpherson, 1962, p.226).

Differences based on the type of agriculture had been pointed out by John Bennett, who found that ranchers in southwest Saskatchewan enjoyed greater economic security than grain growers and were also more inclined to oppose government intervention in economic affairs. (Bennett, 1969) Such differences have often gone unnoticed in the history of the C.C.F. Because enough farmers combined with urban labour in Saskatchewan to elect the left-populist government to the provincial legislature. Today they are now longer the largest and most influential class in Western Canada; the

era of agrarian populism has declined in proportion to the class that supported it.

I have argued that any class-conscious action is likely to take a populist form in Western Canada. The mass support base of populism is usually petty bourgeoisie. Although the C.C.F. began as a socialist party in 1932, it became more of a reformist, regionalist force in relation to the Canadian Federal system and advocated policy measures to protect Westerners. The same can be said for Social Credit which originally benefited from left-wing as well as right-wing support. (Finkel, 1989). The form of class-based populism that fostered the C.C.F. is largely absent from Western Canadian politics as a result of the declining agrarian class as well as prevailing neo-conservative economic theory. The populism that launched the Social Credit phenomenon in Alberta has been altered somewhat and supposedly transferred to what is regarded as an important beneficiary of modern urban-based Western alienation, the Reform Party.

The Reform Party

There is little doubt that the Reform Party has ridden a wave of popular opposition to the ruling government which has been portrayed along with its leader as serving Eastern interests. While many Westerners have wholeheartedly supported the Progressive Conservative Party through some historic politically difficult times, there is

widespread revulsion over a federal government which is no better than Trudeau's Liberals in "using federalism" against the West. Indeed, some Westerners have argued for nothing other than deep institutional change in the federal system through such mechanisms as a Triple "E" Senate. This perspective is often followed up with a general denunciation of mainstream federal parties. For example the Progressive Conservatives will promise the West support while in opposition but change priorities in response to Quebec and Ontario's electoral strength once in office. With this type of analysis, nothing less than radical change is needed at the federal level to protect the long term interests of the West short of separation.

The Reform Party promises a "new Canada" which would no longer be based on the "old left/right" political dichotomies of our federal party system. The New Canada (1992) which is the title of the leader's current biography, is "remarkably reminiscent of nostalgic versions of the old Canada" and therein lies the attraction. (Persky, 1992, p.C8). As the Republican Party was able to capture electoral success under the Reagan neo-conservative banner by appealing for a return to a "golden age" that never was, the Reform Party hopes to do the same for English Canada. (Blumenthal, 1988, Dobbin, 1991).

The Reform Party emerged in the late 1980's in Alberta to ride a regional populist wave of discontent over such issues as the awarding of a federal government military

contract, the introduction of a national consumption tax, new constitutional proposals and cuts in transfer payments to the provinces. This new party also benefited from traditional sources of "Western angst" such as official bilingualism, anti-Quebec sentiments, central Canadian C.B.C. "type culture" as well as fears regarding immigration and "forced population growth." In response, the Reform Party promised a mixture of radical social change and nothing less than a new realignment of federal politics through social conservatism and a "different attitude" towards Quebec. As a result, Reform has become the most popular party in Alberta and a serious party threat nationally. The most recent federal Gallop poll placed the Reform Party at 15% nationally, ahead of the Progressive Conservatives. Preston Manning, the Reform Party leader, has recently undertaken a tour of Eastern Canada to expand the party into Ontario and to "find out who speaks for Quebec." (Manning, January 23, 1992).

The important question for us to consider in the light of this chapter, is whether the Reform Party is populist in character, or more of a cadre-style organization which draws on a modern urban-class based form of populism. The preliminary evidence as provided by the Reform Party as well as through the work of various writers on Reform and its closely defined predecessor, Social Credit, is that this is a case of the latter more than the former. The Reform Party seems to have touched all the right electoral buttons

in condemning the practices of old-time federalist parties but this positioning is more strategic than radical. Let us now consider the history of the party in greater detail along with the ascendancy of its leader Preston Manning.

Preston Manning is the son of Ernest Manning, the late Social Credit Premier of Alberta during the period 1943 to 1969. A lot of the younger Manning's life was spent absorbing the politics of the day through his father. One can argue that a "carbon copy" syndrome occurred in the process as Preston acquired not only the same neo-conservative perspective as his father but has largely also displayed the same physical appearance and mannerisms. This manifestation was apparently not lost on Socred supporters and Preston Manning became heavily involved in the party during the middle and late 1960's. He ran for the position of an Alberta M.P. and regularly counseled his father on new ways to keep Social Credit alive by injecting new ideas. Most of these "new" ideas were contained in a now famous book written by Ernest Manning, entitled Political Realignment: A Challenge to Thoughtful Canadians (1967) and an accompanying government white paper on "Human Resource Development."

Using the engineering-inspired doctrine of systems theory, which can be traced to such politically-inspired texts as Mackenzie King's Industry and Humanity (1918), both Mannings proposed a shift in federal Canadians politics away from pluralism into the creation of one right-wing party

called the Social Conservatives and the development of a left-wing alternative. The party name of "Social Conservatives" was chosen to reflect the idea that if conservatives could shift their focus on how to bring private sector solutions to the social problems of society, the appeal of left-wing parties would wither and eventually die leaving an invigorated private sector in place. Otherwise what could possibly be the appeal of the left beyond certain economic frustrations to be found within the poorer sections of society.

From the period where Ernest Manning resigned his Premiership to the founding of the Reform Party, the theory of social conservatism remained paramount in the work of both Mannings. This period is vividly chronicled in detail by Murray Dobbin in the recently published Preston Manning and the Reform Party (1991). After attempting to link Manning with the Central Intelligence Agency in order to establish the Reform Party leader's ultra-conservative early credentials, Dobbin moves on to discuss the formation of the "M and M Systems Research Limited"; a consulting firm began by Ernest Manning with the research assistance of his son to continue along the path of social conservatism. (Dobbin, 1991, pp.35-39). While concentrating on doing work for resource and energy firms as well as the new Tory Government, "M and M Systems Research Limited" would follow "the broad objective of defending capitalism from the socialist threat," in order to advance social

conservatism. (Ibid, p.46). It is in this consulting firm position, that Manning is able to attract Canadian elite public attention by the further use of publications calling for most if not all government services to be privatized. (Ibid, pp.46-49). According to Dobbin, Manning is able to translate this support into corporate sponsorship (particularly from oil interests) for a national political force that is based on the virtues of an unfettered free market and social conservatism.

One should remember that it is during this period that so much conservative populist antipathy is created in response to federal-provincial tensions between Alberta and Ottawa. Trudeau's Liberals bore the brunt of this anger and Manning became involved with a number of right-wing political groups such as "The Movement of National Political Change." (Ibid, pp.66-99). While there appeared to be little public support for Manning in terms of a new national party, Dobbin argues that regional business and political people began to look for some party alternative to dealing with the federal Liberals and the Conservatives under "Red Tories" such as Robert Stanfield and Joe Clark. It is with regional corporate disappointments with the Mulroney Government however that Manning is supposedly viewed as the leader who can "put everything together." (Ibid, p.71). Invited to address "a group of lawyers and oil men" in Calgary who were looking for a federal conservative party alternative (Pearson in Dobbin, p.75), Manning found unsurprising

support for his philosophy of social conservatism and free-market economics. What is interesting to note is how little of a change in Manning's philosophy seems to have occurred over the years since Social Credit ruled Alberta. For most of what appears as Reform Party Principles and Policies in 1991 is quite in line with Manning's ideas in the late 1960's and early 1970's. This ideological consistency supposedly included populism.

With the subsequent success of the founding Reform Party assembly in May of 1987 where Manning is chosen as the leader, the groundwork for a serious conservative alternative party began in earnest. Disenchantment with the Mulroney Government is fed into a populist framework of regional aspirations, fiscal conservatism and social resentments. This is a necessary process because of the obvious problem in how to differentiate the conservative policies of Reform with those of the Progressive Conservatives when very little policy differences exist except as a matter of degrees.

To the extent that the Mulroney Government was elected on the strength of specific issues in 1984, certain positions had been carefully crafted and promoted. The new government said it would consult Canadians about the leading issues of the day on an ongoing basis. A pro-business, "friendly American" policy perspective would be developed as Canada was declared open for business again. In the course of two consecutive mandates, a free trade

agreement has been reached, a tax "reform" package has passed, deficit reductionism has been preached and a general "business led" agenda has been followed.

While capitalizing on a lot of political anger over some of the above mentioned policies, the Reform Party agenda largely mirrors that of the Progressive Conservatives. Reform however would carry forth such an agenda in a much speedier and decisive manner through the "grass roots" support of its membership. (Dobbin, 1991, Manning, 1992).

Even where major differences do not exist, a more successful approach must be applied. The Reform Party's solution is to engage in and up-date the same types of populist measures that Social Credit and the C.C.F. had used to wrest political power away from the respective ruling parties of the day. For example, the Reform Party advocates the use of local constituency resolutions to decide party policy and provides prospective candidates with a long document in which personal details must be provided and judged along with a "job description" that is provided to explain the duties of an M.P. A prospective candidate for Reform would seek the position in much the same way he or she would try to gain employment with a corporation.

The theory is that those citizens who see politicians as inherently corrupt individuals, will find the professional nature of a Reform Party candidate as inspiring confidence. Moreover, a number of mechanisms such as recall

procedures for an M.P., more free votes in the party caucus and Parliament, and the increased use of referenda and other plebiscites is advocated for all future members of a federally elected Reform Party. Also, the party discipline which frustrates people into believing that the average M.P. is largely the captive of his or her party is de-emphasized under the rubric of Reform in favour of following constituency wishes. In such a fashion these populist endeavors tie in quite nicely with popular opinion in Canada.

A cursory glance at most opinion pieces in Canadian newspapers over recent history would confirm such trends. As a new entrant in the federal field of politics, Reform is also able to project its leader in the Canadian populist tradition as a "church going, born again" individual of unimpeachable qualities. Preston Manning is the first politician in a number of years to link his religious fundamentalist views on issues such as social welfare, unemployment medicare and daycare with the individual's relationship to God. Government should not, as is argued by many of the fundamentalist right, interfere with how a person must struggle through his or her life. A person can hope for a better life and God might help provide it through Christian charity. Government however should not intervene. If Government does intervene it can become the secular equivalent of the anti-Christ. Free enterprise equals religious morality in this sense.

The idea is that if the leader is "sound", then so should be his or her policies. In an age where political gossip often passes for informed public policy discussion and televised imagery dominates the political landscape, Manning would seem to have an advantage. A recent biography on Brian Mulroney and the contrived personal scandals affecting Bill Clinton in the U.S. and Paddy Ashdown in the U.K. attest to this problem. (Sawatsky, 1991; Financial Times, March, 1992).

Preston Manning is able to use a populist approach in his criticisms of the three main federal parties and particularly the Tories by arguing for more participation from "the people" who need to be consulted much more. The Reform leader often quotes the Abraham Lincoln-Steven Douglas American political debates as part of his own "pioneering effort" to rebuild Canada into a more participatory society based on social conservatism. (Manning, 1991, p.1). Indeed, in a number of interviews Manning defines populism as a right of the people to be consulted as to the general policy direction of government. (Hedlin, 1991 and Manning, 1991). However, Manning also makes it clear when questioned about the historic political "instability" of such mechanisms as recall procedures and the problem of trying to form "a really genuine democratic party," that the Reform Party leadership would do whatever it thought was best if consensus could not be reached. (Hedlin, 1991, pp.9-11). Since consensus is very hard to

reach, especially regarding complex economic issues, the same discretionary political power wielded by the mainstream political parties would be available to Reform. To paraphrase the now famous political slogans of Mackenzie King, the Reform Party would follow a strategy of "Populism if necessary, but not necessarily populism" if and when the party became the government of the day.

The populist strategy is primarily composed of Preston Manning's past experiences with his father's Social Credit regime. It has enabled the Reform Party to ride the wave of anti-Mulroney conservatives into a by-election federal victory in Alberta. But it seems to have decided limits in keeping with the Party's evolution. In analyzing the Reform Party it becomes evident that their brand of populism can be easily jettisoned in accordance with the leader and his executive. Reform Party critics such as Dobbin have supplied a number of examples in arguing that the Party's populism is "skin deep" and quite deceptive. The most "flagrant" example that is cited by Dobbin has to do with the input of constituency associations in creating party resolutions that would form the basis of party policy. In theory, each constituency association is supposed to provide a number of resolutions that could eventually end up as part of the up-dated "Blue Book."

In the case of the 1991 party convention, the overwhelming number of resolutions were creations of the Party Policy Committee (P.P.C.), an executive organ, rather

than from the rank and file. (Dobbin, 1991, pp.131-146). The rationale for this seemed to lie with some of the Reform membership who were looking towards alternatives to the Mulroney Government's policy agenda. Accordingly, the Reform Party Executive rejected a number of policy resolutions on conservative ideological grounds. The convention which was supposedly a foregone conclusion because of tight control by Manning and his party associates became a test as a number of controversial P.P.C. resolutions squeaked through the vote process against some scattered resistance. (Dobbin).

What seemed to matter most to delegates however, is that they were being consulted in some very specific ways regarding public policy resolutions. For example, the G.S.T. was strongly opposed by the Party coming into the convention and attempts by the executive to favour some similar type of consumption tax were opposed and eventually defeated. In the end and in true populist or true demagogic fashion, Manning had to defend his positions and his executive against charges of authoritarianism by appealing for solidarity against established political interests. The Reform membership gave in and supported almost all the resolutions including an anti-agrarian policy which pushed for consumer based food policies at the expense of stable-subsidized prices for farmers. The idea that agrarian populism had been superseded by more urban based fare was substantially validated.

The outcome of the convention is the 1991 "Blue Book" which is supposed to spell out Reform's policies and principles as democratically debated and voted on. One is left in a quandary however, in terms of the deliberate vagueness of the various party policies and principles. Some critics have suggested that such vagueness is proof positive of what Manning himself refers to as "the dark side of the Moon" of populism. (Dobbin, 1991, Manning, 1992).

Manning's reference is apparently made in answer to the often reactionary nature of populism as an exclusionary, ethnocentric project. A "random walk" through the Reform "social reform" 1991 "Blue Book" bears witness. After dispensing with "government run" (meaning wasteful and inefficient) programs such as unemployment insurance, medicare, child care and other social services, the focus switches to certain cultural concerns that a segment of Western Canadians consistently respond to. Under the subsection heading, "RCMP", the party supports the traditional role of the RCMP as a police force in Canada. This is hardly a controversial statement. An adjoining clause however calls for the protection of the RCMP's 19th century dress code to the point where "Changes should not be made for religious or ethnic reasons." Anyone aware of the recent controversy surrounding opposition to Sikh RCMP officers who wear their turbans as a religious duty while in uniform could interpret the Reform Book clause as a thinly

veiled racist response to what has occurred. (The Blue Book 1991, p.31).

The intent of the RCMP section matches well with the Reform positions on Immigration in Canada. While making it clear that the "Reform Party opposes any immigration policy based on race or creed" in clause three on "Immigration", some interesting linkages follow. (The Blue Book 1991, p.34.). Sponsorship privileges for Canadian citizens and landed immigrants are to be restricted to immediate family members and immigration policy should not be used "to solve the crises of the welfare state through forced growth immigration policy." (Ibid). It could be suggested that Reform supporters fear, as some Canadians generally do, a flood of minority immigrants overwhelming white English Canada as a result of either large minority family sponsors or a federal government program which favours minority immigrants over more traditional (white) immigrants. While the Reform Party is very careful to discount any membership cultural or racial bias, it is rather more than coincidental that various party clauses tend to mirror the general reactionary discontent in the West and elsewhere on these issues. The only difference is type of language employed.

Official bilingualism has always stirred considerable anger on the part of some English Canadians who feel that they are being denied federal government jobs because they do not have a working knowledge of the French

language. Other people will argue that since French-speaking individuals lag demographically behind other ethnic groups in the West, why should people not speak Cantonese, German or Ukrainian as the "second" language? In the "Official Languages" section of "Social Reform", the Reform Party opposes "comprehensive language legislation, whether in the nature of enforced bilingualism or unilingualism, regardless of the level of government." (The Blue Book 1991, p.33). Instead, Reform supports "asking the people" through a referendum, to create a language policy that reflects both the aspirations of Canadians and the demographic reality of the country." (The Blue Book 1991, 33). Relevant statistics aside, it is not hard to understand how the myth of "bilingualism today, French tomorrow" has been propagated to fit this sense of false regionalism. Premier Don Getty's January, 1992 anti-bilingual statements in response to Reform Party potential electoral pressure have only added fuel to this reactionary fire.

In a recent dinner speech at McGill University, with Scottish bagpipe music sometimes wafting through the corridors, Preston Manning tried to argue that "official bilingualism" could not be sold to Westerners because of widespread negative perceptions. (January 23, 1992). He went on to argue that a "New Canada" had to be created out of the old federalist structure which was now disintegrating. Manning proclaimed with reference to the "Blue Book", that Canada should no longer be based on "a meeting of two

founding races, cultures, and languages..." (The Blue Book 1991, p.33). Cleverly, Manning was able to make it appear that the position of the Reform Party was such that multiculturalism was really the order of the day. After all, who could be opposed to a Party that did not privilege any ethnic group over another? Indeed, one francophone dinner guest, after arguing that "everyone is a racist", urged English Canada to protect its cultural manifestations. Manning nodded his understanding of this position. If there is one area where populism is "alive and well" within the Reform Party it seems to be at the level of culture.

Conclusion

This chapter has explored the concept of populism as it applies to Western Canadian politics. It is clear that populism is a "double edged" sword. It can cut from a progressive or a conservative direction. It can promote progressive politics or it can promote conservative politics in the form of popular culture and false regional consciousness. Let us now turn in the final chapter to the work of a leading populist artist, William Kurelek.

CHAPTER SIX

ART, CULTURE, REGIONALISM AND THE REPRESENTATIONAL POPULIST RESENTIMENT OF WILLIAM KURELEK

"In the end, the art of the past is being mystified because a privileged minority is striving to invent a history which can retrospectively justify the role of the ruling classes and such a justification can no longer make sense in modern terms. And so, inevitably, it mystifies. "

John Berger,
Ways Of Seeing (1972).

This chapter will focus upon many aspects of what we commonly refer to as culture. My objective is to marry the federal government's attempt to create a national artistic culture in Canada through cultural agencies such as the Canada Council, with the profound sense of regional artistic consciousness found within the West as represented by the formative work of William Kurelek. Kurelek's work represents a celebration of Western Canadian resentment as a region which operates at the margins of the Canadian state, economically, politically and even artistically. Cultural political resentment can thus become the basis for a concept for regional cultural studies as a strategy of resistance to the ideological hegemony of the national state. This chapter represents one such exploration.

The Uses of Culture.

It is a truism to say that one can no longer speak of a distinction between high and low culture. This is to

the good. Culture has opened up from the intellectual scratchings of Plato's cave to the nearest video mansion. The traditional class nature of culture which often glorified the social system and its priorities has been exploited over a period of time so class authority is not as overt as it once was. From the food we eat to the clothes that we wear to our physical environment; everything is proper grist for the mill. We live the multi-ethnic experience at the most superficial (sophisticated?) level because of the cross cultural levels of daily interaction and commodification in our society. That old standby, class authority, can no longer speak of universal rationality, intelligence and truth because it is seen to be a product of 19th century history.

The feminist movement goes even further in arguing that the traditional notions of rationality and truth are themselves oppressive devices. We cannot agree on how to communicate anymore because rationality, truth and intelligence are the necessary standards by which we communicate. They are built in to the nature of what it is to speak and think. If you think and speak at all, you're already in a situation where the canons of rationality, truth, and intelligence apply. But rationality, truth and intelligence are not themselves substitute theses like a particular dogmatic theology. This is what makes current discussions of culture so fascinating. After all, the era in which we live is supposedly posthistorical, postmodern and

postcontemporary. And what we're all "post" is rationality and intelligence. The idea is that reason has subverted itself. It was all a massive self-deception to think that we could discover the truth about the real world.

Rather, there are just subjects, objects and power relations. Culture is used as a significant part of power relations. By this I mean culture to be "a whole social order" ...in [which] styles of art and kinds of intellectual work are seen as the direct or indirect product of an order primarily constituted by other social activities."

(Williams, 1981, p. 12). This according to Williams and others is the materialist conception of culture. It has little to do with the culture of "the informing spirit", but rather refers to the perceived state of societal reality. What is culture after all but a fuzzy self-aggrandizing term that really signifies little except the importance of the privileged object; to give the object a value is artificial in character, and in many instances undermines the intended purpose for the object in the first instance. The control of the object is, after all, rarely in the hands of the creator because of the nature of the production process historically. To the extent that the creative purpose is evident at all as something culturally significant, it must be seen as a residual formation rather than an active agent of social change or even social awareness.

In his seminal essay, "The Work of Art in the Age of Mechanical Reproduction," Walter Benjamin (1962)

carefully explains how the spiritual value of a work diminishes with its constant commercial reproduction to the point where the historical and contextual meaning is defined by whomever is using it. This is an important insight because what has always been lacking is an analysis which seeks to unite an economic analysis with a cultural one and which provides us with an understanding of the workings of cultural capitalistic formations.

Benjamin proved prophetic in warning us that the battle was not over. We could all buy reproductions of the paintings hanging in the rich art collectors house, but we should be aware of the economic exploitation of high art in the marketing of consumer goods and services. Economic and artistic accessibility has economic drawbacks as well as advantages. As a consequence traditional art forms which have been appropriated to sell products have to some extent lost the powerful artistic imagination that went into the creation of such work. This, as Benjamin and others have also since pointed out, provides a dual benefit for the dominant social relations in our society.

High culture is still glorified by a lot of institutions and cultural agencies in our society, while traditional art is packaged and sold democratically to the consumers of the market place. The meaning behind the work of art is lost in the process for the majority of citizens and thus remains an aesthetic pursuit for the elite. As Raymond Williams points out, "works of art themselves" is of

course a category and not some natural objective description. (Williams, 1981, p.45, Zinman, 1984, p.168). We can appreciate how difficult it is to get at the meaning of a work of art by examining the work of William Kurelek and his critics.

Kurelek's life and work is so germane to a better understanding of Western Canadian culture and society that his paintings have become part of our national Canadian identity. This is not a negligible accomplishment when one considers the centralized nature of the political and social systems in this country.

Most Canadians would identify Kurelek as a painter of often romantic childhood scenes such as children playing hockey in Winter or adults engaged in logging activities in the Spring. Kurelek is supposedly to painting what the "hewers of wood, drawers of water" imagery is to Canadian economic history. It is bred in the bone. A essay by Ramsay Cook in *Canada, Quebec and the Uses of Nationalism* (1986) tends to support this romantic central Canadian perspective on Kurelek, even while pointing out the artist's personal trials. Patricia Morley's biography of Kurelek contains the elements of an opposite attraction. A wealth of detail is provided but a social and political theory is lacking. I would argue that the lesser known, darker side of Kurelek's work really represents the regional nature of Canada as under-represented, economically-repressed social and political constructs. While it is not common practice to

discuss art as though one were discussing economic or political history there are some very important similarities that should not be missed. The artwork of a William Kurelek provides a fresh perspective as well as an important accessibility for those who wish to understand the regional nature of Canada. Kurelek may not be the only artist that one could point out as being regionally inclined artistically, but as we will see later, his paintings personified his life struggles on the Prairies, in Britain and in Ontario. Though the analysis which follows focuses specifically on Canadian cultural formations as borne out by the questions of art, cultural, commodification and regionalism, I hope that the results will be helpful in understanding the technical reproduction of the system itself. As Chorney argues

" Capitalism is a global system. It is far more than an economic order. There are social, cultural, political, economic and spatial aspects to it, none of which can be ignored if we wish to comprehend its meaning. Its character, of necessity, relates to the politics of everyday experience." (Chorney, 1977, p.188).

The question of artistic development is no exception to this rule. The theme of cultural development is abundantly discussed in Canadian art history. In recent years, the reappraisal of political and intellectual priorities which has been forced by a whole series of larger cultural and political crises has led to a renewal of interest in the genealogy and origins of contemporary problems, modes of thought, "ways of seeing" (Berger, 1972). As part of this process of critical, reflexive practice-a

movement back which can involve either a painful but necessary return to primary questions for Canadian cultural theorists or a willful retreat from the challenge of the present--there has been a rethinking of the origins and meaning of the "subsidized artist." More specifically attention has been focused on two founding moments: The origin and development of cultural agencies such as the Canada Council and the movement of public and corporate capital in the 1960s, which really opened up the market for Canadian art (or at least certain forms of art).

At the same time, the rhetoric of high culture has helped to induce a "lack of reality" with the invention of other realities. By this I mean that art panders to the confusion which reigns in the "taste" of the patrons. Artists, gallery owners, critics, and public wallow together in an "anything goes" kind of attitude and the time is one of slackening. The realism of the "anything goes" is in fact one of commodification. In the absence of aesthetic criteria, it remains possible and useful to assess the value of works of art according to the profits they yield. Such realism accommodates all tendencies, just as capital accommodates all "needs", providing that tendencies and needs have purchasing power.

It is my contention that art, capital and a notion of Canadian high culture have interacted in such a way as to invalidate many significant forms of aesthetic resistance that could be expressed through artistic mediums of

communication. As Lyotard points out in a report written for the Parti Quebecois Government of the 1970's, "artistic research is doubly threatened, once by "cultural policy" and once by the book market." (Lyotard, 1984, p.68) What is advised, sometimes through one channel, sometimes through the other, is to offer works which, are relative to subjects which exist in the eyes of the public they address, and works so well made that the public will recognize what they are about, will understand what is signified, will be able to give or refuse its approval knowingly, and if possible, even to derive from such works a certain amount of comfort. It is through such forms of culture that art could have some emancipatory value because of the overt appeal to the critical imagination. What is also necessary from Lyotard's point of view is to extend our thinking in the social presentation of art beyond the narrow confines of traditional institutions such as museums and galleries. I would extend this argument to the development of cultural agencies in Canada because of the resulting problems that have already been alluded to and which shall be discussed in the case of the Canada Council shortly.

The rationale for a lot of this type of thinking can be found in an articulation of problems about the relationship between art and society and the relationship between art and history. All social institutions undergo changes, so why shouldn't the art institution? And the emergence and development of artistic institutions must

obviously be explained through a consideration of the whole social structure. So we may put the question quite naturally by asking what caused the modern Canadian artistic institution to develop?

Institutional Theory of Art

The institutional theory of art as developed by critical sociologists and literary critics such as Walter Benjamin, John Berger, Michel Foucault and Roland Barthes defines the modern institution of art as a bourgeois institution. That is an institution which is just as much a product of a bourgeois society as is a bank or a department store. The institutional theory of art points to the relationship between the works of art and the people that are concerned with the arts in different fashions. It points further to the relationship between the artistic community and society as a whole. The institutional theory of art could in this way be a point of departure for a real critical theory of art. This theoretical framework is the one that I have adopted for the purposes of this chapter.

Art Historiography

The rationale for most of the cultural industries in Canada, can be traced back to the Massey Commission of 1950. Formed as a discursive counter-weight to British prototypes, the commission undertook a number of managerial initiatives to rectify the state of the arts in the 1940s.

Rather than illuminate the absolutely key differences that exist between conservative and liberal arguments in favour of government support for the arts, the commission chose, predictably enough, to organize its representation of the issues in terms of a simple pro- and anti-interventionist dichotomy. The commission also worked with an entirely conventional definition of what constituted art. "High" forms of art such as romantic representational painting were preferred because such work had already been appropriated to glorify the dominant elite's values, attitudes and social relations of production. No one would be offended by such work because that type of work was deemed to be valuable and thus respectable. And because such work is often removed from its historical context, no one would really be offended by such an innocuous stylistic presentation. Adorno, in one of his most important articles, "Vallery Proust Museum" (Adorno, 1981, pp.173-186), argues that museums and mausoleums are connected by more than phonetic association. "Museums are the family sepulchres of works of art." What are traditional museums after all but the richly decorated mausoleums of historical elites. The Massey Commission favoured not only traditional forms of art but traditional institutions to proclaim such art. Thus the dominant social relations are not only preserved but strengthened by such acts.

The Massey Commission's chief recommendation, appropriated and constructed at the executive and managerial

levels, was the creation of a Canada Council. The Council was established in 1957 to "foster and promote the study and enjoyment of, and the production of works in the arts, humanities and social sciences" and a measure of independence was guaranteed. (Royal Commission on National Development in the Arts, Report, 1951) Many artists welcomed its findings without recognizing how far the Commissions mandate was political as well as cultural. This, at an almost unconscious level, formalized the institutionalization of the arts in Canada. Two basic paradigms emerged. The first occurred within the infrastructure of the Canada Council, which seemed to include only those with the literary credentials (Woodcock, 1985). So while it fostered a modest program to keep artists working, it reflected little more than the necessity of fostering its own creative members. Thus the Council's conception of art could really be constituted as not only institutionalized practice but as a new set of power relations over the subsidized artist. If an artist wanted to qualify for a grant, certain bureaucratic as well as artistic practices had to be refined to the point that the work of art, even if it was deemed to be experimental and challenging took on the appearance of a contrived result. It is not an exaggeration to point out that with the creation of the Canada Council, a new institution of power was developed along with a new discourse. Indeed the new institution of power and the new discourse were

interdependent. If one could speak of "grant writers" in terms of subsidized writers in the past, we now had the slow development of the "grant artist" as a new discourse.

Perhaps the best analyst of the type of modern institutionalized practice that we are discussing was Michel Foucault. Foucault has successfully transformed the banal histories of traditional powerful institutions such as the asylum, the clinic, and the prison system and their respective discourses-madness, illness and criminality into damning indictments of the kind of societies that created these institutions in the first instance. Ironically, in This is not a Pipe (1973), Foucault was less successful in developing art and the social relations of production as totalizing systems of power. One would think that this should have been easier for Foucault given the harder tasks that he had previously undertaken. Nevertheless it is my contention that the Canadian institutionalization of art as represented by the Massey Commission, represented the emergence of a new discourse which we define popularly enough as Canadian art. Canadian art after all is the cultural production and reproduction of not just the natural evolution of certain historical, geographical, ethnic or climatic circumstances but the selective commodification and/or institutionalization of artists and artistic formations. So if the first paradigm regarding the institutionalization of art in Canada can be seen in the creation of the Canada Council, the second paradigm is what

has resulted from the deep ideological intertwining of art and cultural agencies in Canada. This historical process has been well summed up by one of Canada's leading critics, George Woodcock, when he refers to "...the kinds of pressures that emerge when politician confuse art with politics and talk of democratization of culture, or when bureaucrats attempt to impose on the arts as "cultural industries." (Woodcock, 1985, p.172) While many aesthetic traditionalists such as Woodcock observed the "collaring" of institutionalized art as the result of ignorant players, they failed to understand the deep ideological complicity that autonomous art shares with institutions of the Canadian state. When one thinks of this kind of casual relationship, it should not come as any great surprise. After all this process of tying art in to a cultural agenda through the creation of institutions such as the Canada Council has been replicated historically in many other spheres of statist activity in Canada and elsewhere.

The point has often been made that Canada is a technologically constituted state. Through the use of what Innis referred to as space-binding and time-binding technologies such as our transportation systems and our mass media, our regions were able to somewhat overcome geographical, climatic, economic, linguistic and ethnic obstacles to Confederation. Canadians created government institutions to approximate what other countries have developed over a longer period of time and usually under

much more difficult political circumstances. That said however, our attempts to develop a uniform cultural identity have largely failed because as Mary Vipond argues, we have not been able to match what has essentially been a laissez-faire approach to the free flow of media in Canada with the perceived need to create a more substantial sense of cultural nationalism in Canada. (Vipond, 1990). What has emerged as a result of this problematic is a series of elite cultural institutions such as the Canada Council which by controlling or at best curbing artistic expression along whatever lines are deemed to be acceptable at the time, have substantially reduced the potential for transferring regional experience into national identity in Canada. Regional artistic experience has always been a marginalized element in Canada because of the obvious observation that most of our leading cultural institutions have always been located in central Canada and this has had dis-locational effects upon non-marketed artistic expression in the rest of the country. In this sense the historical populist resentment which I explore in other chapters of the thesis is also present in the failure to create a regionally sensitive cultural policy towards the outer regions of Canada. It is my conviction that this kind of functionalist hypothesis of high culture has helped to arrest the actual affiliations which act between the world of ideas and scholarship, on the one hand, and the world of politics, corporate and state power, on the other. These affiliations

have so restricted the artistic scope of vision that a negative doctrine has been created as a result. This doctrine is based on the idea that the public is best left ignorant when it comes to understanding that art and artists are cultural commodities and whatever artistic questions are posed should be left to experts and those individuals known as "insiders."

An "insider" is, to use the term first given wide social approbation by Walter Lippman in "Public Opinion and the Phantom Public" a person who is supposedly endowed with the special privilege of knowing how things work and, more importantly, of being close to power. Art becomes a cultural commodity used by the expert and the insider to champion the kind of work which does not hurt their respective positions. The artist, who was supposed to be freed under the auspices of a cultural agency instead is in effect hired on as a kind of "cultural worker" to the experts and insiders.

Let us turn again to the formation of the Canada Council for evidence of this cultural domination. Soon after its creation, the Council began to follow three lines of policy which tended to diminish the independence of the artist and to direct the arts in the direction of a centralized, narrow nationalism.

The first line of policy involved the limitation on granting aid to artists who were not Canadian citizens. This logically narrowed the artistic experience available to

Canadians and therefore narrowed creativity. (Woodcock, 1985).

The second policy lay in the fostering of the creation of artists organizations. Under the Canada Council's leadership these organizations became extensions of the national bureaucracy in the arts, controlled less by artistic inclination and more by the perceived need to thoroughly professionalize the arts. Artists, like other information specialists, created their own language and public alienation arose in the process. This process worked both for and against the artist. Dissident themes could occasionally slip through, because ideological control was usually informal and implicit it did not always work with perfect effect. However because the increased inaccessibility of the artistic language limited public participation, the power of an artist's work was diminished in the marketing of the product to an elite grouping, whose experiences were substantially different from the artist. (Crean, 1976)

Finally the creation of the art bank led to the establishment of bureaucratic criteria, as to what kinds of art could be purchased, and hence encouraged and what may not. Both public and private art gallery curators have been known to grant their artists some modicum of independence to minimize the appearance and actual degree of overt coercion and artists have sometimes successfully been able to operate as if they were independent. But the romantic idea of the

productive artist is really more myth than reality. Myths do however, have an effect on society and thus serve as sources of power. In Foucault's parlance, the state of the art became the art of the state, an organizing principle whose main elements included bureaucratic rationality, public projects and economic values. When one adds centralizing state tendencies to this social theory mixture, the artists power is not only diminished but mis-directed. After all, the intimate locality of the regions and the locality of the world are likely to have more reality for artists than the political abstraction of an ill-defined federal state. This is why it was considered important for cultural agencies such as the Canada Council to be able to militate against the more natural tendencies of artists to be regionally affiliated. A set of organizing principles was needed in the area of art and culture in the same way the economy or the political system had to be structured. The Canada Council was a formative part of the organizing principles. So was the emergence of corporate artistic capitalism in the 1960's. Taken together these developments masked the more subversive, resistant tendencies of art as a mitigating force to cultural capitalism.

It is important to remember that we are not discussing the construction of a propaganda model in regard to state public or private capital, but rather the evolution of a pronounced style. A style which flowed from cultural agency to the actual showing of a piece of work. e.g. as a

vertically integrated corporation. This style could be recognized through the correlation of new formal features in culture with the emergence of a new type of social life and a new economic order-what is often referred to as a post-industrial, consumer society. The 1960's were in many ways the key transitional period because of the erosion of the distinction between high culture and popular culture. Many new Canadian artists became fascinated with the whole media technoscape of American advertising and network programming. The airport "paper-back" novel became one of the artistic symbols of that time. People no longer quoted the classical texts of Proust, Joyce or Mahler, as much as they incorporated them, to a point where the line between high art and commercial forms seemed increasingly hard to draw. Thus, this type of culture is situated in three areas: production, consumption and commodification. Production as filtered through the art institutions, is controlled by the curator who sets the agenda for how a particular piece of work will be shown. It is not a value free process as the spatial, material, financial and time constraints will attest. Consumption has less to do with a particular form of art than how it is going to be disseminated to its audience as a commodity. The point is to transmit art under a sign that can embrace the spirit of the day. Thus, the artistic sign in Canada was an institutional one. What came about, in brief, was that the very variety of competing categories of art has made each of the categories non-exclusive;

expressionism, social realism, abstraction - each is to be seen as a human construct. As a system developed by a particular society to meet it's purposes at a given time. As Williams clearly understood, "Certain forms of social relationships are deeply embodied in certain forms of art." (Williams, 1981, p. 55) They were not, that is to say, fixed structures inherent in reality, but different ways of looking at reality-and are, furthermore, the characteristic ways we humans use to get at and cope with chaos. We are dealing with a means of symbolic action. So it becomes a matter of seeing which category can muster the most supporters, not of which is divine, or logical, or even different-in a word, a matter of the art of communication, or to be cynical public relations.

Now this may seem like a straight-forward collection of truisms, but, in fact, it reflects the Canadian productive style. If one wished, the art boom of the 1960s could be traced back to the Canadian state's 19th century mercantile strategy of accumulation. The fusion of art and capital led to the culture of the day-that is, they were never separate. The Canadian patron of the 19th century could see his work without the presence of the art specialist. This was the age of the icon or monument to the Canadian elite. (Lord, 1974) The process of commodification was therefore quite apparent to anyone who chose to recognize it. This type of formalistic art would be ridiculed today, by Canadian cultural agencies such as the

Canada Council and by corporate art consultants (usually former curators), as drab, gloomy representational work. The values, attitudes and beliefs that lie behind such work does not disappear but rather is transferred to another artistic category. Indeed popular culture, historically a target for criticism on both aesthetic and political grounds, has been embraced by government cultural agencies and corporations as a weapon in a battle of imagery. (Walker, 1983) To the institutionalized art community, art and culture are basically questions of market ability and salesmanship. Power in contemporary Canada rests with those more concerned with accessibility and capital, than about quality and aesthetics. Art and culture are implicitly servants of capital being made up primarily of, but not entirely reducible to, economic materials and motivation.

Of course, art as an aspect of life and culture is no less relevant or necessary as a symbolic system for humans in action. The point is that art and culture have been transformed by the state through public and private capital with a mixture of institutionalization and public relations.

Postmodernism

This brings us to a case in point, postmodernism. The concept of postmodernism is not widely accepted or even understood today. This is of no great surprise because of the difficulty involved in defining and identifying

postmodernism itself. There seems to be no specific agreement in the literature as to what constitutes postmodernism. All that one can offer is an approximation. Moreover, postmodernism seems to range over a dazzling number of fields of activity: literature, television, painting, movies, music, architecture, fashion, etc... What you end up with is more along the lines of "a family of resemblances-than a clearly identifiable category." (Boyne and Rattansi, 1990, p.194) Everything it seems is subject to the "postmodern condition," and while this may cheapen the value of such an approach, postmodernism still has much potential as a double-sided aesthetic project.

Postmodernism is intriguing because it both celebrates and attempts to resist cultural commodification. One part of this school of thought will argue the idea that traditional artistic history and theory have come to an end; and that "postmodernism is largely the product of a force external to art- namely, the market." (Boyne and Rattansi, 1990, p.237) What supposedly differentiates postmodernism from other slavish market theories is the provision for a built-in resistance aspect to the commodification of art. This works as follows. If traditional art forms were created in many cases independently of a market demand, the emancipatory elements of the art can be lost or obscured with the development of cultural capitalism and statist activity. But if art is designed with the knowledge that it will be treated as any other market oriented product, then

the artist can, if he or she chooses to do so, encode a message which can not so easily be lost or obscured in the process. The artist may have to respond to the dictates of the market. This does not however mean that art cannot still be used for other things. At the very least, postmodernism represents the interdisciplinary recognition of how much control is exercised over culture as just another financial industry responsible to certain market dictates. Possessing that kind of knowledge and encouraging subsequent research in such an area is extremely important as an act of recognition and possible subsequent social involvement.

What could be defined as a postmodern painting? Because of the subjective nature of this inquiry, there has been little agreement as to what constitutes a postmodern painting. Each author appropriates his or her own artists depending upon what kinds of assumptions are made. While artists such as Andy Warhol and Judy Chicago are often used as more recent examples of the postmodern imagination, Van Gogh and Da Vinci have been chosen as well. Waldemar Januszczak has come the closest to defining postmodern artwork by listing certain dominant characteristics. These characteristics include "sensationalism, titillation, frilliness, pastiche, dumbness and narcissism." (Boyne and Rattansi, 1990, p.195) The postmodern artwork contains such characteristics as a form of "double coding." In this sense, artwork is to be viewed as "another text" to be read and deconstructed for the benefit of the reader. The artist

will therefore encode other meanings into the work beside the obvious representational subject. "Deconstructive postmodernism" is not a mechanical theory however. The artist is not always conscious of other meanings in the artwork and will often try to guard against presenting anything in a contrived fashion. Artists do not rely on volunteerism as such. Rather it is the intuitive artistic temperament as displayed through a mastery of aesthetics which postmodernists try to appropriate into written form. Thus, postmodernists' cry for a meta-language (a language about other languages) is a central point in trying to convey an artistic sense of a given subject in obviously non-artistic terms. This is why postmodernists freely range from one media form to another. The media form inversely becomes the launching point for the construction of the grand narrative or theory rather than simply constituting the subject matter.

Postmodernism in art as in other spheres of activity is "an ideology in search of a practice." (Ibid, p.276) In this sense postmodernism reacts to the museum, the art gallery, and the once experimental artistic categories of abstract expressionism, social realism and cubism as dead, stiffling, canonical, reified monuments that have to be deconstructed to create new meaning. This new meaning is primarily social in character because of the perceived need by postmodernists to redefine the notion of the individual subject in the age of cultural capitalism.

This has in turn developed from what is called the post-structuralist position, another aspect of postmodernism.

The post-structuralist position as applied to art and culture proposes that much of what we take to be common place in society today, is really a philosophical and cultural mystification which has successfully been developed to blind both the exploiters as well as the exploited. In this sense no one is spared the excesses of the modernist project; least of all, the artists and the federal state. We have to understand that this is "a period of slackening" and it is not clear what the artists are supposed to be doing. (Lyotard, 1984) What they should not do however is to engage in state complicity with various public cultural agencies because the whole project of the modernist aesthetic tradition is now dead and "weighs like a nightmare on the brains of the living" as Marx had said in another context.

All that is left of this "nightmare" with the intersection of art, capital and popular culture is a commodified process of affectation, which takes place as the artistic styles of other decades are replayed through the computer. This means that postmodern art will involve the perceived failure of art and the aesthetic, the failure of the new, the imprisonment of the past. One could argue that what would seem to be the Canadian tradition, a celebration of commodified administrative art, is essentially meaningless for those who are not institutionalized. This is perhaps why artistic regionalism is not as well sounded out

in terms of public debate as are other issues between federal and provincial governments.

All of this social theory may seem quite abstract, but it is consistent with the Frankfurt School's conception of the "culture industry" and the penetration of commodity fetishism in to the realms of the imagination and the psyche which had, since the formation of classical German 18th and 19th century philosophy, always been taken as an impregnable stronghold against the instrumental logic of capitalism. Symptoms of this historical condition are everywhere apparent in cultural activity today-nowhere more so than in the visual arts.

What we witness, today in Canada, is an often historical attempt to recover some sense of mastery via the resurrection of large-scale easel painting and cast-bronze sculpture-media, themselves identified with the cultural hegemony of Europe. Such simulations only testify to a collective sense of disavowal-and disavowal always pertains to a loss...of independence and potency. One artist might speak of the "impossibility of passion" in a culture that has institutionalized self-expression. Another anonymous artist could decry the "notion of the aesthetic" as something which is really about longing and loss rather than contemplation. These artists have been warmly received by a society unwilling to admit it has been driven from its position of centrality; theirs is the "official" art which,

like the culture that produced it, has yet to come to terms with its own impoverishment.

Postmodernism as applied to art, instead of simply resisting this impulse, celebrates it. Thus Postmodernism, like other artistic phases before it, is closely related to the movement of capital and popular culture; the difference is that postmodernism reflects the deeper contradictions of our social system.

What then can we truthfully say about the emancipatory potential of art outside of the "iron cage of bureaucracy" as per the Canada Council, or the dictates of corporate capitalist culture in Canada. Can art really provide an emancipatory framework for our sociology of culture? Perhaps this is still possible.

One intriguing direction that has yet to be followed upon, was the attempt by a Marxist writer, Barry Lord to create a "people's art history of painting in Canada" in 1974. Lord argued persuasively that Canadians should look to progressive European thought as this was applied to painting, because of the dynamic working class history that has often been associated with much of the great art work of the past. It was hoped that by developing an alternative artistic history, there could be ... "an art of the people again, an art that reflects our people and places, and is sometimes consciously anti-imperialist in its outlook." (Lord, 1974, p.9)

As an artistic dependency theorist, Lord equated Canada's colonial past and neo-colonial present with a lack of public knowledge regarding the importance of culture in agenda setting. "Our rulers have kept us ignorant of our proud history, and even less informed about the history of our culture. This is no accident: a nation without a culture has no future at all. Knowing the history of our art as a part of the heroic struggles of our people is a powerful weapon in the hands of a colonial people." (Lord, 1974, p.9)

Art is therefore not just a tool of the authorities; it refines our sensitivity to cultural differences and reinforces our ability to analyze our society. Lord further argues for an anti-institutional approach to the study of art as an antidote to authoritarian patterns of knowledge, production and consumption, which have made art a privileged concern for elite governance. This anti-institutional approach would mean amongst other things, that multiple readings of paintings would be encouraged among the public rather than having a work of art labeled and analyzed for us as a kind of "pre-packaged" consumer product.

While some have derided Lord for "...a rather clumsy nationalist-Marxist attempt to reinterpret the history of Canadian art" (Cook, 1986, p.120) this attempt to develop a political theory of art as living working-class history should be respected, even if for nothing else than the intellectual ambition that went into such a project.

While Lord can be faulted for bringing too much of a mechanical, determinist approach to his theory of art, little else in the way of such research has been developed along similar lines in Canada. More so, the intent of Lord's work directs us to the possibility of creating a sociology of Canadian art and artists not only as alternative studies to more conventional treatments, but as a methodology for the articulation of regional peculiarities within a pronounced political economy framework.

This latter part of the chapter represents just such an attempt. I have chosen William Kurelek, an essentially Western Canadian artist, as a study (in focusing in) on regional resentment as the touchstone to much of our troubled political life in this country. Kurelek has recently been described as one of those "children of the West" who "have a natural affinity for the West, the source of their physical and cultural roots." (Francis, 1989, p.194). This natural affinity allowed Kurelek to breath artistic nuance into what we now consider to be stereotypical Western Canadian life. The flowing wheatfields, the iconography of the Grain elevators, the endless sky ribboned with particular cloud formations, the ethnic heritage, and especially the solitary inconsequential individual, have almost all become artistic "patents" for Kurelek's structures of perception.

Part preacher, part shaman, Kurelek presented the life struggles of individuals living, working and dying in

the prairie "landscape of the mind." He did this in a non-alienating way by combining the familiar images that he etched on canvass with a traditional European artistic style which was quite accessible to everyone. As R. Douglas Francis points out, "Kurelek's paintings appeal to a wider audience precisely because they go beyond the particular to capture a world and a feeling that is more than the artist's alone." (Francis, 1989, p.205)

It is the locality of Kurelek's thought which after all, provided so much of the aesthetic power to otherwise mundane topics. Many other painters such as Bosch, Bruegel, Goya and Van Gogh had successfully transferred the physical hardships of working life into artistic creations. Kurelek made his own unique contribution to that artistic tradition through the painting equivalent of social theory-the aesthetic project. The following quotation is a good approximation:

"A regional painter, Kurelek is, like the best of regionalists, able to embrace and express a place and its people. Equally, however, a good regionalist is one who is able to be a universalist, using the familiar and particular to express a universal message." (Francis, 1989, p.205)

Simply put, Kurelek's life and work could be construed as a "living" example of Raymond Williams redefinition of hegemony, as a continuous process which allows marginalized elements to contribute to a dominant ideology and thereby provide certain moments of intellectual emancipation for those who can understand and appreciate the code of artistic language. Kurelek's artistic code was

simply focused, but profoundly moving because Kurelek always had a larger life-project for himself in mind. This is what led him to rebel against the kind of ethnic fate that had constrained his family so much in terms of having to "scratch out a living" as farming "stock" on the Prairies. I use the term "stock" quite deliberately because it is quite obvious that the Canadian Government's policy has always been to identify certain immigrant groups by attributing specific characteristics to them. The Kurelek family was chosen in this manner as "good" Ukrainian peasant stock.

William Kurelek would years later, replay the ethnic experience in Western Canada through the eyes of a small child growing up in a farm during the depression. And while the appeal of painting such an experience was universal, the angst that motivated the artist was not. For Kurelek never painted a work unless the subject held some kind of intrinsic value to him. Usually this value was negative in nature and the locality of West helped to inspire him even if he was not always sure why. "No one seems to understand why I am so fascinated by this place (the prairie landscape) not even the local people. Only I it seems can express it though others may feel it inarticulately." (Francis, 1989, p.205)

Kurelek responded to prairie life with a mixture of religious mysticism and social pragmatism. This was done by juxtaposing social realism against the backdrop of geographical and political isolationism. Western Canadians'

acutely felt feelings of alienation and powerlessness were fully vetted in the artistic renderings of solitary individuals attempting to protect themselves against the elements. Kurelek's paintings mirrored the cultural\emotional response of Western Canadians who were the dynamos of Innis's cyclonic theories of communication and staples. Thus he represented an important mediation in the British cultural nationalist school of thought between the economic and administrative practices which have shaped the perception of Western Canada as a transient region of the mind since the early days of Confederation. Kurelek's three major series of paintings serve as an illustration of Western Canadian regional practices and the ways in which these practices have developed in the case of one person, to influence a segment of that region.

Over the past hundred years, two artistic visions of Western Canada have developed in an intellectual context of the spirit of the times. In the work of the pastoral artists, the Canadian West was composed of picturesque valleys, mountains and streams which were supposed to convey to the viewer the innocence and beauty of the early inhabitants. Everything presented in the paintings was strategically placed to appeal to the nostalgia that we are supposed to feel when in worship; everything is pure and basic just as if it left the creator's hands. This artistic pastoral setting confirmed our prejudices regarding the urban experience, the nobility of the "savages" and the

philosophy of the domination of nature. i.e. as something to be conquered.

At a certain point in our history however, when many Canadians no longer shared these prejudices, a younger generation of artists emerged to challenge the older school of romanticized art. Their view of the West was no longer of a pastoral nature, but a recognition of the consumer society which included pictures of garbage dumps, tract houses and shopping malls. The figures on these paintings were not of the "straight-fenced white people" variety or the happy Indian, but an analysis of working class people who move about according to the latest technological\staples discoveries and who along with the land have become despoiled and unsightly. Kurelek provided an important mediation between the dominant schools of artistic thought; he used the imagery of the romantic earlier style to explain a lot of modern problems which he often added in to his paintings. And in so doing, he gave Westerners an opportunity to understand how their region has developed socially, economically and politically while his artwork became part of the official artistic discourse of the Canadian government.

William Kurelek was a social realist who used the physical landscapes of all his paintings to try to present his feelings and uncertainties about being a Western Canadian. In the same way that Innis tried to bury his political vision of Canada in the civilizations of the past,

Kurelek always tried to make his paintings more complicated than it would appear they were. Kurelek made it possible for the public to understand how the artistic process was not something distinct from other aspects of society, but rather largely dependent upon certain commodity and political processes.

William Kurelek was a complex individual who was never that consistent an artist because of his life experiences which took most of his life to come to terms with. Thus the pleasure of the painting awaits those who try to understand him. A tidy ghetto; immigrants chatting, their figures too large for colourful shacks, which line the street; the horizon dominated by the steel factory, workers, their faces transformed by grotesque masks, shoveling grain in the poisonous dark of a grain elevator; the Saskatchewan Prairie; spindle-shanked children finding mounds of new-mown hay a momentary escape from drudgery; someone trudging up a road, which bisects the canvas, toward Edmonton [or the external city ?], a penetration at the vanishing point; Sabbaths, weddings, funerals - all the rites and passages - laid out like a rough feast for the eyes; canvases painted in oil or acrylic, the surface scoured to create textures - simple techniques resulting in paintings of great emotional intensity.

The center-cultured media of Toronto and Anglophone Montreal which has always been one of the most accessible channels for dominant hegemonic practices, missed

the point entirely in examining the superficial phenomenon of the Christ Figure found in Kurelek's work. "On the other hand Kurelek's works are specifically propagandistic. He uses them to get across the one message in which he is vitally interested - Christianity." It is true that Kurelek always had the portrait of the chronicler and the prophet. Much like the work of another contemporary national Canadian painter, Alex Colville, Kurelek always had an undercurrent of violence in his work that could easily be missed.

His Western Canadian series of landscapes which became part of the Government's nation-building image process through administrative art, were in fact, symbolic or allegorical, to anyone taking a political\analytical approach to his work. I would again refer to the paintings. What we see is a young man and his family entering the selling point of the "Last Best West", a hinterland region subjected to the economic disruptions typical of staple - dominated economies. This economic process which Innis really developed, mirrored the artistic \ administrative formation that Kurelek would later be subjected to, represents an important part of Williams' analysis in his attempt to have the reader understand the linkages between administrative - vetted artistic production from a cultural point of view and the larger societal forces which impact upon their regional question.

Subjected to racism and lacking a human environment for his family, Kurelek's feelings ran the

gauntlet from joy to despair. But even the joy transferred into his paintings is ambiguous, because he believes his world is sliding into chaos, both economically and personally, and in a way is glad to see it go. Later, safely enshrouded in Toronto with his family, Kurelek would use the farm animals, which on one level represented a positive image of Western Canada to a transient public as part of a time - binding technology for Westerners in a resource based economy, in place of the local bullies who terrorized his early life in Manitoba. The sequence of the "cannibal chickens \ boys" is used to decry the reactionary working class or peasantry, which had begun to "feed on itself" in the new technologically - commodified West. Kurelek at the purely observational level, understood the power of an economic culture which was created through the fusion of a peasant class of Eastern European immigrants with the production processes of Canadian capitalism. This economic culture as Innis understood it, dictated the social integration of immigrants with the physical landscape. The result was the phenomenon of populism.

Populism of both the left and right varieties emerged as the dominant hegemonic practice; a practice which solidified around the radical ideas of Westerners as a way of dealing with the constant boom and bust cycles inherent in a staple economy. Kurelek's work represents an important cultural development, from an artistic point of view, in illustrating the socialization associated with the populist

perspective as something that was unique to Western Canada. Simply put, he legitimized populism through his artwork as part of the Canadian political process.

Kurelek's panoramic pictures of the plains would often feature a horizon up high on the picture plane, so that the ground seemed tilted forward like the rake of a stage. Common people were shown laboring and struggling; celebrating each new advance in farm machinery and technology which never really makes their life less difficult, but just as hopeful. The immigrants who moved to the Canadian West had been attracted by government promises and the mythology of nation - building was created to keep them there as an integral part of the staple production chain which forced them to adjust to changing market policies through national economic policies, foreign companies [seen as Eastern Canadian as well as European] and international destabilization practices. Populism resulted as a non-threatening alternative to these policies in the way in which policy was implemented. The concept did manage to unite Western Canadians within a philosophy that became part of Western and subsequently Canadian discourse through the fusion of art and politics in the nineteen sixties and seventies.

William Kurelek's artwork represents the dark side of Western populism as a rejection of what cultural nationalists perceive as superficial analysis. Like Innis and Williams, he used his life experiences to strengthen the

intellectual foundation of his work. The farm machinery which others celebrated was a source of terror, because it always seemed to malfunction when he operated it and his failure left him open to attacks from his family. He began to believe that he was deliberately sabotaging the machinery as a way of defining his technological obsolescence.

In a series of paintings completed around the time Kurelek was undergoing shock therapy, this technological obsolescence was brought out through internal and external conflicts. It was at Maudsley and other British hospitals that Kurelek was cured of his "psychosomatic" illnesses. Because of the pressure put upon him by his family as someone who had to adopt to difficult economic conditions and social circumstances, Kurelek had developed nervous ticks and eye strain to his life experiences. He physically reacted to family pressures that followed losing their farms and moving to other places in the West to begin the process again. He understood his circumstances and tried to escape intellectually through his artwork which, by the time he reached Britain, had begun to express his helplessness. At the hospital he had paints, a room and no responsibility. He began to produce some of the most grotesque paintings that the doctors had ever seen.

Patricia Morley, Kurelek's biographer, describes some of the paintings in detail. Three stand out. The most notorious was called "The Maze." Full of Swiftian satire on the myth of progress and human enlightenment, this painting

showed Kurelek's skull, split open to reveal a white rat curled up in a catatonic ball in the middle of the maze with no way out. Each segment of "The Maze" depicted some horror Kurelek remembered from childhood: Kurelek being thrown out of his home; Kurelek being blooded by bullies; Kurelek being rejected by his friends. The painting is also full of Swiftian imagery: flies, locusts, piles of human excrement, a mouth full of sawdust, maggots, a museum of futility. Some of the images he later painted out: a small boy wiping himself with a painting of Shakespeare, two giant women in labor, spawning the millions destined for the cannons of the world armies.

The second of these paintings was entitled, simply "I Spit On Life." It visualized scenes of brutality, torture, hypocrisy and withdrawal. The third was a deliberate attempt to paint out his worst terrors. The scene was set in the Kurelek's garage in Winnipeg. He had captured his parents, stripped them, mutilated their bodies, and hung them from the rafters by their tongues and other organs. Kurelek tried one more expressive painting, entitled "Help Me, Please Help Me." He depicted himself as a bird and the doctors as people who had clipped his wings. This painting, conceived as a going away present to society was followed by a suicide attempt the next day. It remains one of his few unfinished paintings, perhaps representing a last way out for its creator.

After having his memories ripped away from him by shock therapy, Kurelek moved back to Canada and married a Catholic social worker. For the next dozen years he turned out over two thousand paintings (potboilers as he liked to refer to them); each one a deconstruction of the apocalypse to come. Kurelek received religion, not in the traditional positivistic way, but as an access point for his angst. Locking himself into a hotel room for weeks on end, he would eat nothing except an orange and a vitamin pill. Not eating became a penance, a preparation for the coming of the end, for the chaos to come... the themes of Canadian history, - the boom and bust cycle, the "lumpiness" of economic life upon marginal groups, the whole dependency problematic - were brought to life through oil, gesso, water colour and ink. The drawings done with ballpoint pen, were overlaid with monochrome wash to soften the lines.

These starkly realistic techniques produced a realism which seduced the viewer into the painting until "he was sharing the ride on the haywagon, smelling the bread baking in the outdoors and feeling the crunch of a store-brought apple," a rarity in the depression years on the Prairies. Morley argues that Kurelek was a privileged observer who blamed his family for his childhood problems rather than examining the deeper social, political and economic problems of the Prairie West.

The Canadian media which had begun to examine his work in the early nineteen-seventies, became divided in its

choice of electronic and print labels for his work. Some critics signified their displeasure by taking a disinterested, detached (critical) perspective to "a specifically propagandist work." This was a refusal of someone who held the unfashionable opinion that the subject did not matter at all - the art would come regardless, if there was art in the artist. Indeed, Joan Murray, Director of the Robert McLaughlin Gallery, who in nineteen-eighty-three organized the major retrospective, "Kurelek's Vision of Canada", believed the artist's paintings remained outside the mainstream of Canadian art precisely because of its message.

Other critics tried to "sell" Kurelek as a populist involved in a "Norman Rockwell" perspective. Curators for the Governments of Alberta and Saskatchewan tried to pass off his work as "a childhood full of nostalgia. Full of hardship and simple pleasures." This media laundered view of Kurelek's work fit into the New West as an extension of the rugged individualism that "had built this country and made it prosperous."

The rationale is easy to understand. A romance of the past has permeated the West as long as it has been a technologically - constituted society. The space - binding technologies of the C.P.R. and the time - binding technologies of state - capitalist radio were used to make Canada possible. In this way, artists like Kurelek could now be used to make it liveable.

The third series, broadly titled "social commentary," centered on Kurelek's perspective of technological hegemony. The atom bomb, the Nazi crematoriums, urban waste and alienation - all were juxtaposed with familiar comforting images to create an external catharsis. In each there is a deadly stillness which leaves one with a real sense of foreboding.

This series also became an important starting point for Western artists such as Carl Chaplin. Kurelek's pastoral visions were replaced by the world's major centers; each devastated by atomic bombs. Indeed, Chaplin's hit list for art nuko ("an artistic response to life in the fusion lane"), demanded that two dozen urban jewels be figuratively reduced to ashes. Both artists work show the similarities of the postmodern theme. i.e. combining catastrophic technologies with familiar objects to produce the disconcerting image.

This third series on "social commentary" symbolized the mature artistic thought of Kurelek. His difficult personal life, with its wistful searching and its violent transitions, is reflected in the dualism of his work: painful nostalgia - apocalyptic vision. His sense of Canada's physical reality unified this dualism and became the most consistent, powerful, and characteristic feature of his work. It is significant that this series was painted in bright colours, as it heightened Kurelek's work; the whole pictorial surface is involved in writhing movement. When

this type of musculature (the canvas seems to inflate itself) is anchored by firm composition, the results are striking. It was this quality that interested other Western artists such as Ivan Eyre and Dennis Burton. Kurelek was one of the very few artists to accurately depict the Prairie landscape and this redeemed him in the eyes of those who had turned to more abstract symbolism for comfort.

This series carried one other trademark that Kurelek and other important Canadian artists have developed, - the banal title. Immigrant nostalgia titles, such as "In The Autumn Of Life" and "Not Going Back To Pick Up A Cloak," are hung over scenes of quiet nuclear annihilation. The dropped bombs on urban Toronto and rural Winnipeg, seem to be part of a particular Canadian mode, which artists use in visualizing the state: a nation promulgated by legislative and technological means through the mass media. Kurelek, like a number of his contemporaries, held a skeptical regard for technologically produced "truths" and hung his paintings under the titles that would hopefully reflect Canada's ethnic and geographical diffusiveness. It was this type of vision which made Canada liveable in the artistic sense and in that certain sense, produced the popular response to Kurelek's work.

Kurelek's quest had always been to reach back to the "basics" in the face of two threats: man's inhumanity to man and the myth of technological progress. The conflict was hardly ethereal. He saw it acted out in the contemporary

world and in the lives of his family, those who had attempted to restrain his ideas for many years. He had survived however. Kurelek's experiences led him to argue that all art activities, if they were not to be meaningless, had to carry the human result, not just to display the process of doing it. Art thus became a purely existential act for Kurelek. It meant that one could "supplicate" art itself to grant one freedom, strength and meaning. This type of spiritual art became God for Kurelek in a new and more universal way.

Sixties-ism, with its strong emotional concern for humanity, began to play itself out in Kurelek's work. He remained captivated by the classical questions, - Where do you come from? Where do you go? What are you doing here? His greatness lay precisely in his desperation, in his public willingness to display his desperate spiritual hysteria and to proclaim it as logical and necessary. This is what also made his work so popular - at an almost instinctive level.

One does not need the abilities or technical knowledge of a painter to be engaged by the integrity and effectiveness of Kurelek's project. His work calls us away from the follies of the soap - opera nonsense, self-centeredness and reactionary antiquarianism, celebrated in too much contemporary painting and some culture. Yet he was able to suggest alternatives in his own lifestyle: artistic work conceived as a radical practice of the present moment, and witness, understood as moment-by-moment presence among

the ironies and conflicts of existence. Kurelek's work remains at a transcendental stage/space in Canadian artistic thought as the damaged product of regional resistance and false consciousness.

CHAPTER SEVEN CONCLUSION

"Western Canada has paid for the development of Canadian nationality, and it would seem that it must continue to pay. The acquisitiveness of Eastern Canada shows little sign of abatement." H.A. Innis,
A History of the Canadian Pacific Railroad
(1971)

This thesis presents an interdisciplinary approach to regional studies in a rather unorthodox fashion. It is unorthodox to the extent that I marry traditional political economy inquiries with critical social and political thought of a sometimes "postmodern" variety. My wish to entertain such a project was borne out of the need to re-work Canadian political thought in order to articulate Canadian economic life from a cultural as well as philosophical perspective. I believe that in doing so, a more general theory of governance and society could be constructed through an understanding of regional consciousness, ideology, dependency and populism as "tools for the awakening" of regional consciousness among Western Canadians.

It is rather obvious that many Canadians have much more of a regional consciousness than a national one. Canada is a large country with a population that is concentrated in central Canada. The industrial heartland is located in central Canada as well as our main governmental institutions and communications industries. So, for many Canadians, the regional problems of the Eastern and Western portions of

Canada are rather far removed from their day-to-day concerns.

This lack of national recognition to regional concerns is due to other complex sociological factors as well. The development of metropolitan life has largely inured people from looking "beyond the moment" to other geographical locations. Those who live in cities are physically cut-off from the "endless clouds" and "big sky" of the Prairies or the "ocean-licked" communities of Atlantic Canada. Apart from this image problem (the disadvantage due to lack of visibility), the peripheral status of Atlantic and Western Canada is often tied to the vagaries of federal largesse.

Paul Philips, a Keynesian economist at the University of Manitoba, calls this Western dependency on federal largesse the "Maritimization of the Prairies." (Globe and Mail, 1992, p.A6). But the "Maritimization" of the West is only partially economic in structure, because much of what is economically relevant, is strongly rooted in the conservative ideology of elite political, social and media-driven institutions. Thus, the interchangeable way in which a Canadian living outside Atlantic or Western Canada can view these regional economies, as constantly depending on federal support, tells us much about the lack of a national consciousness in Canada. It is this lack of national consciousness that permits the penetration of regional

consciousness into so many aspects of culture, politics and society.

The intellectual contributions of Harold Innis and Raymond Williams were explored in the context of a more general perspective on Western Canada through a series of case studies that were one part culture, one part economics and one part politics. I therefore build upon a series of interlocking, creative essays. These essays were deliberately constructed to "rub history against the grain" as Walter Benjamin once noted, (Benjamin) in order to examine the cultural formations, that have developed out of Western Canadian resistance to the dominant ideological hegemony of internal and external dependency.

The notion of hegemony in the sense that Raymond Williams amended the term in order that it could be used in a dominant ideological context, is important for my thesis. Ideological hegemony illuminates the fate of the "Crow Rates" episode in the West. It also clarifies the "devolution" of regional economic strategies from federal government interventions. This devolution has proceeded to the point that there is now an almost wholesale reliance on private sector assistance programs such as the "Western Diversification Fund."

In the light of the above I have discovered that what are often wrongly perceived as "banal" economic issues in Western Canada, form part of a powerful regional consciousness that can often cross party or class lines in a

number of instances. The term "banal" is used to signify the way in which particular themes, that I have discussed in this thesis, are perceived by non -Westerners as being of little importance to the national interests of Canada.

For example, the "banality" of the "Crow Rates" history has to do with the way in which this issue is explained as a transportation matter which demanded a "technocratic solution", rather than the serious national public attention that we reserve for constitutional problems. This lack of national attention has been underscored by the long and bitter history surrounding the role of the federal government in giving free reign to national railway exploitation of the West.

The question of regional economic theory was discussed in large part to examine the intellectual roots of "The Western Diversification Fund" through the neo-conservative/neo-liberal ideological prisms of George Gilder's and Lester Thurow's writings. As a private sector assistance program run by the Federal Government, "The Western Diversification Fund" is an institutional compromise between direct government intervention in the economy and the elimination of any government attempts to intervene directly or indirectly.

Thus the relevance of the two neo-conservative and neo-liberal writers is an important one . It permits us to establish the ideological roots of a federal policy directed at Western Canadian economic underdevelopment.

The failure of the nation to understand the impact of Western regional opposition to "Eastern Canadian interests," who have exploited the region's most easily accessible resources and left an undercapitalized economy in their wake has created a strong sense of bitterness in Western Canada.

It is this sense of bitterness that also unfortunately colours the attempt to create a national concert out of a series of "regional string quartets." The Reform Parties' early corporate slogan was "The West Wants In". That statement speaks volumes about the gap that exists in the fragmented approach many have taken to narrow regional studies and the more general analysis that often leaves out economic questions in studying culture and vice-versa. If the reality of Western Canada were better understood at the theoretical level its alienation would be diminished.

This is why it is often hard to understand "what the West wants" from a central Canadian perspective. For example, many people cannot quite comprehend the "hue and cry" from Western Canadian political leaders for reform of the Canadian Senate. This is an issue that has never been championed by Ontario and Quebec, so up until quite recently it scarcely seemed to be worthy of national media attention. Moreover, little attempt was made to uncover the rationale for such "heavy" Western support for a reformed

regionally-based Senate, other than scattered references to "anti-Eastern sentiments and Western alienation." This lack of understanding underlines much of what is lacking in an "artificially constructed" federal state which lacks a common social and political vision.

In this thesis, Prairie populism was developed as an important aspect of Western Canadian politics because it has played a significant role in a strategy of resistance both as a progressive and a reactionary ideological force. What differentiated populist parties traditionally was their insistence on using ideology as a determinant for political practice. The Reform Party however has tried to distance itself from any ideological labeling for two specific reasons. First of all, ideology is valued loaded in their eyes. Thus they prefer to pose as value free and non ideological.

Since the Reform Party is supposed to be a "new" political party for a "new" Canada, it would not do to be associated with an antiquated concept such as ideology. In this sense as they would see it ideology is linked to authoritarian, despotic forms of government that very few people would obviously support. Reformers (or "Moose Boosters") also may fear that their organization may become "tarred" with the same brush that they have used in sometimes "smearing" their "left-wing" party opponents such as the N.D.P. with a "socialist brush."

The Reform Party's insistence that they are a new party for a Canada that could be re-born under their guidance is strongly belied by their "Principles and Platforms Blue Book." Contained within the Blue Book is a powerful form of "nostalgia for the absolute" magic of the free marketplace which calls forth a Canadian West no longer over-governed or over-taxed. This neo-conservative mixture also successfully unglues Quebec as part of the founding partner of Canada, because the "distinct society" goes virtually unrecognized in the Reform Party's call for an end to "special powers" for any province.

William Kurelek's art and life experiences were "replayed" in the thesis as visual expressions of Western Canadian regional consciousness and resentment. Kurelek, who was often portrayed as a "romantic" painter of rural traditional family life on the Prairies was anything but, in reality. His struggle in surviving his immigrant upbringing in the West was also seen in light of the development of the "national Canada Council" and the kind regional resentment that accompanied attempts at creating official Canadian culture.

The political economy of Western Canadian regionalism thus can only be understood through the prism of the broadest spectrum. This spectrum, of necessity must include economic, political, cultural and artistic dimensions if it is to illuminate the many layers of reality out of which western Canadian alienation and regional

consciousness are born. In this thesis I have tried, however, imperfectly to begin the process of weaving a theoretically richer tapestry than exists in the literature. It is only a beginning but one that I hope is worthy of the grandeur and despair of the "last best West."

BIBLIOGRAPHY

Texts

Abercrombie, Nicholas., Hill, Stephen., and Turner, Bryan S. The Dominant Ideology Thesis. London: George Allen & Unwin, 1980.

Adorno, Theodor. Prisms. Cambridge: MIT Press, 1981.

Allen, Richard. Man and Nature on the Prairies. Regina: University of Regina Press, 1976.

Bennett, John W. Northern Plainsmen: Adaptive Strategy and Agrarian Life. Chicago: Aldine Bierstedt, 1969.

Berger, John. Ways of Seeing London: British Broadcasting Corporation, 1972.

Boyne, Roy and Rattansi, Ali. eds. Postmodernism and Society. Macmillan Education Ltd, 1990.

Brodie, Janine. The Political Economy of Canadian Regionalism. Toronto: Harcourt Brace Javanovich Canada Ltd, 1989.

Campbell, Robert. Grand Illusions: The Politics of the Keynesian Experience in Canada, 1945-1975. Toronto: Broadview Press ltd, 1987.

_____ and Pal, Leslie A. The Real Worlds of Canadian Politics. Toronto: Broadview Press, 1989.

Chodos, Robert. The CPR: A Century of Corporate Welfare. Toronto: James Lewis and Samuel, Publishers, 1973.

Chorney, Harold. City of Dreams: Social Theory And The Urban Experience. Scarborough: Nelson Canada, 1990.

Chorney, Harold. The Deficit and Debt Management: An Alternative to Monetarism. Ottawa: Canadian Centre for Policy Alternatives, 1989.

Christian, William. editor. The Idea File of Harold Adams Innis. Toronto: University of Toronto Press, 1980.

_____ editor. Innis on Russia: The Russian Diary And Other Writings. Toronto: Publications of the Harold Innis Foundation, Volume One, 1981.

Cook, Ramsay. Quebec, Canada and the uses of Nationalism. Toronto: McClelland and Stewart, 1986.

Conway, John. The West: A History of the Region in Confederation. Toronto: James Lorimer and Company Publishers, 1983.

Crean, Susan. Who's Afraid of Canadian Culture Lorimer and Co., 1976.

Creighton, Donald. B. Harold Adams Innis: Portrait of a Scholar. Toronto: University of Toronto Press, 1957.

Cunningham, Jim. "On the Brink: Preston Manning's Bid for Power", Point of View. Toronto: Harper Collins Publishers Ltd, 1991.

Darling, Howard. The Politics of Freight Rates. Toronto: McClelland and Stewart, 1980.

Dobbin, Murray. Preston Manning and the Reform Party. Toronto: James Lorimer and Company Publishers, 1991.

Dorfman, Ariel and Mattelart, Armand. How To Read Donald Duck. New York: International General, 1984.

Eagleton, Terry. Criticism and Ideology. London: Verso Books, 1978.

Marxism and Literary Theory: A Study in Marxist Literary Theory. London: Methuen Books, 1976.

Fairburn, Gary. From Prairie Roots: The Story of the Saskatchewan Wheat Pool. Prairie Books, 1984.

Fink, Howard and Jackson, John. eds. All the Bright Company: Radio Drama Produced by Andrew Allan. Toronto/Kingston: CBC Enterprises/Quarry Press, 1987.

Finkel, Alvin. The Social Credit Phenomenon. Toronto: University of Toronto Press, 1989.

Firestone, O.J. Regional Economic and Social Disparity. Toronto: University of Toronto Press, 1977.

Flanagan, Thomas E. "Reform of Canada's Parliamentary Institutions", Monograph, June, 1991.

Fowke, Vernon. The National Policy and the Wheat Economy. Toronto: University of Toronto Press, 1957.

Francis, R. Douglas and Palmer, Howard. The Prairie West: Historical Readings. Edmonton: Pica Press, 1985.

Francis, R. Douglas. Images of the West. Western Producer Prairie Books, 1989.

Foucault, Michel. This is not a Pipe. New York: Pantheon Books, 1981.

Galbraith, John Kenneth. The Age of Uncertainty. Boston: Houghton Mifflin Company, 1977.

Gelnour, Robert S. and Lamb, Robert B. Political Alienation in Contemporary America. New York: St. Martin's Press, 1975.

Gibbons, Roger. Prairie Politics and Society: Regionalism in Decline. Toronto: Butterworths, 1980.

_____. Conflict And Unity: An Introduction To Canadian Political Life. Toronto: Methuen Publications, 1985.

Gilder, George. Wealth and Poverty. New York: Bantam Books Inc., 1983

Gillen, D. W. et al. "Pricing Policies, Freight Rates and the West," (University of Alberta: Mimeograph, 1979).

Gorak, Jan. The Alien Mind of Raymond Williams. Columbia: University of Missouri Press, 1988.

Gramsci, Antonio. Selections From The Prison Notebooks. New York: International Publishers, 1971.

Green, Alan. Regional Aspects of Canada's Economic Growth. Toronto: University of Toronto Press, 1971.

Grower, Alan. Politics in Saskatchewan. Ontario: Longmans Canada Ltd, 1968.

Guy, John James. People, Politics and Government. Toronto: Collier Macmillan, 1990.

Havelock, Eric A. Harold A. Innis: A Memoir. Toronto: Harold Innis Foundation, Volume Two, 1982.

Hegel, G.W.F. Philosophy of Right. Trans. T.M. Knox. Oxford: Oxford University Press, 1967.

Holland, Stewart. Capital Versus the Regions. London: Macmillan, 1982.

Holroyd, Michael. George Bernard Shaw, Volume One: The Search For Love. New York: Random House, 1988.

Horkheimer, Max and Adorno, Theodor W. Dialectic of Enlightenment. New York: Seabury Press, 1969.

Innis, Harold A. A History of the Canadian Pacific Railway. Toronto: University of Toronto Press, 1923.

The Bias of Communication (Toronto: University of Toronto Press, 1971).

Essays in Canadian Economic History. Toronto: University of Toronto Press, 1956.

The Cod Fisheries: The History of an International Economy. Toronto: University of Toronto Press, 1940.

The Fur Trade in Canada: An Introduction to Canadian Economic Life. Toronto: University of Toronto Press, 1930.

A Strategy of Culture. Toronto: University of Toronto Press, 1952.

Kilgour, David. Uneasy Patriots: Western Canadians in Confederation. Edmonton: Lone Pine Publishing, 1988.

King, William Lyon Mackenzie. Industry and Humanity. Toronto: University of Toronto Press, 1918.

Kroker, Arthur. Technology and the Canadian Mind. Montreal: New World Perspectives, 1984.

The Possessed Individual: Technology and the French Postmodern. Montreal: New World Perspectives, 1992.

Laycock, David. Populism and Democratic Thought in the Canadian Prairies, 1910 to 1945. Toronto: University of Toronto Press, 1990.

Leiss, William. The Domination of Nature. Boston: Beacon Press, 1974.

C.B. Macpherson. Montreal: New World Perspectives, 1988.

Lipset, S.M. Agrarian Socialism. New York: Doubleday Books, 1968.

Lord, Barry. The History of Painting in Canada: Towards A People's Art Toronto: NC Press, 1974.

Lyotard, Jean Francois. The Postmodern Condition. Minnesota: University of Minnesota Press, 1984)

Macpherson, C.B. Democracy in Alberta: Social Credit and the Party System. Toronto: University of Toronto Press, 1953.

McLuhan, Marshall. Understanding Media: The Extensions of Man. 2nd. ed. New York and Scarborough: University of Toronto Press, 1964.

Mannheim, Karl. Ideology and Utopia. New York: Harcourt, Brace & World, 1936.

Manning, Ernest. Political Realignment: A Challenge to Thoughtful Canadians. Toronto: McClelland and Stewart, 1967.

Manning, Preston. The New Canada. Toronto: Macmillan Canada, 1992.

Marx, Karl. The German Ideology. Oxford University Press, 1988.

Morley, Patricia. Kurelek (Macmillan of Canada, 1986).

Mueller, Dennis C. Public Choice Cambridge University Press, 1982.

Myers, Gustavus. A History of Canadian Wealth. Toronto: James Lewis and Samuel, Publishers, 1972.

Neill, Robin. A New Theory of Value: The Canadian Economics of H.A. Innis. Toronto: University of Toronto Press, 1972.

Norrie, Kenneth. Research Coordinator, Disparities and Interregional Adjustment. Toronto: University of Toronto Press, 1986.

Panitch, Leo. The Canadian State. University of Toronto Press, 1977.

Patterson, Graeme. History and Communications: Harold Innis, Marshall McLuhan, The Interpretation of History. Toronto: University of Toronto Press, 1990.

Pratt, Larry, ed. Socialism and Democracy in Alberta: Essays in Honour of Grant Notley. Edmonton: NeWest Press, 1986.

Richards, John and Pratt, Larry. Prairie Capitalism: Power and Influence in the New West. Toronto: McClelland and Stewart Limited, 1979.

Rioux, Marcel and Creen, Susan. Overcoming Dependency: A Plea for Two Nations. Montreal: NMH, 1983.

Sidney, Sharpe and Braid, Don. Storming Babylon: Preston Manning and The Rise of The Reform Party. Toronto: Key Porter Books, 1992.

Smythe, Dallas W. Dependency Road: Communications, Capitalism, Consciousness, and Canada. New Jersey: Ablex Publishing Corporation, 1982.

Thurow, Lester. The Zero Sum Society. New York: Penguin Books, 1981.

Vipond, Mary. The Mass Media in Canada (Lorimer & Co., 1989)

Walker, John A. Art in the Age of Mass Media London: Pluto Press Ltd, 1983.

Wallas, Graham. Social Judgement. New York: Harcourt Brace & Co, 1935.

Ward, John P. Raymond Williams. Cardiff: University of Wales Press, 1981.

Williams, Raymond. Communications: Britain In The Sixties. London: Penguin Books Incorporated, 1962.

The Country And The City. London: Paladin Books, 1975.

Culture. Glasgow: William Collins Sons & Co. Ltd., 1981.

Keywords: A Vocabulary of Culture And Society. Glasgow: William Collins Sons & Co. Ltd., 1976.

Marxism And Literature. Oxford: Oxford University Press, 1977.

Problems in Materialism And Culture. London: Verso Editions, 1980.

Raymond Williams on Television. Edited by Alan O'Connor, Toronto: Between The Lines, 1989.

The Politics of Modernism. New York: Verso Books, 1989.

Woodcock, George. Strange Bedfellows: The State and the Arts in Canada. Toronto: Douglas & McIntyre Ltd., 1985.

Young, Walter. Anatomy of a Party: The National C.C.F., 1932-62. Toronto: University of Toronto Press, 1969.

Zinman, Rosalind. Raymond Williams: Towards A Sociology of Culture. Ph.D. in Arts And Science, Concordia University, 1984.

Articles

Archer, J.A. "The Prairie Perspective", in R.M. Burns., ed. One Country or Two? Toronto: McGraw Hill, 1976.

Blais, Andre. "Le Public Choice et la croissance de l'Etat." Canadian Journal of Political Science, 1982, XV:4.

Brym, Robert J. "Regional Social Structure and Agrarian Radicalism in Canada: Alberta, Saskatchewan and New Brunswick", The Canadian Review of Sociology and Anthropology, Vol.15, No.3, 1978, pp.339-351.

Canada Under the Tory Government, Ottawa: Canadian Centre for Policy Alternatives, 1988.

Charland, Maurice. "Technological Nationalism," Canadian Journal of Political and Social Theory, Fall, 1985

Chorney, Harold. "Regional Underdevelopment and Cultural Decay", in Heron, Craig, editor, Imperialism, Nationalism and Capitalism. Toronto: New Hogton Press, 1977.

_____ and Molloy, Andrew. "The Myth of Tax Reform: The Mulroney Government's Tax Changes", in Gollner, Andrew B. and Salee, Daniel, editors, Canada Under Mulroney: An End of Term Report. Montreal: Vehicule Press, 1988.

Copland, D.B. "Culture versus Power in International Relations." Liberty and Learning: Essays in Honour of Sir James Hight. Christchurch, 1950.

Cottrell, Fred W. "Death by Dieselization: A Case Study in the Reaction to Technological Change," American Sociological Review, (Vol.16, No.3, June, 1951).

Dorland, Michael A. "A Thoroughly Hidden Country: Ressentiment in Canadian Culture." Canadian Journal of Political and Social Theory, Vol.12, Nos 1-2, 1988.

Drache, Daniel. "The Crisis of Canadian Political Economy: Dependency Theory Versus The New Orthodoxy", Canadian Journal of Political and Social Theory, Vol.7, No.3, Fall, 1983, pp.25-45.

Giddens, Anthony. "Four Theses on Ideology." Ideology/Power, Canadian Journal of Political And Social Theory. Montreal, 1983.

Hall, Douglas John. "Man and Nature in the Modern West: A Revolution of Images," Man and Nature on the Prairies. University of Regina: Canadian Plains Research Center, 1976.

Higgins, Benjamin. "The Dualistic Theory of Underdeveloped Areas", Economic Development and Cultural Change, Vol.4, pp.99-115.

Jackson, John D. "Broadcasting: Centralization, Regionalization, and Canadian Identity." Communications in Canadian Identity. Benjamin D. Singer. ed., Toronto: Nelson Canada, 1991.

Leiss, William. "Sublime Machine: The Degeneracy Theme in Industrial Society." Degeneracy. ed., S.L. Gilman and J.E. Chamberlin. Columbia: Columbia University Press, 1983.

Mackintosh, W.A. "Economic Factors in Canadian History." in Berger, C. ed., Approaches to Canadian History. Toronto: University of Toronto Press, 1967.

Morrow, Ray. "The New Canadian Political Economy." Canadian Journal of Political and Social Theory. Vol.6, Nos.1-2, 1982.

Munro, Gary. "Changing the Crow's Nest Pass Freight Rate." Journal of Canadian Studies. Vol.22, No.4, (April, 1988).

Norrie, Kenneth. "Some Comments on Prairie Economic Alienation." Canadian Public Policy. Vol.2. pp. 211-224.

Richards, John. "Populism: A Qualified Defense." Studies in Political Economy. No.5, (Spring, 1981)

_____. "Populism and the West." in Pratt, L. and Stevenson G. Western Separatism. Edmonton: Hurtig Publishers, 1981.

Rioux, Marcel. "Remarks on Emancipatory Practices and Industrial Societies in Crisis." Canadian Journal of Sociology and Anthropology. 21, No.1 (1984).

Sinclair, Peter R. "The Saskatchewan C.C.F.: Accent to Power and the Decline of Socialism", Canadian Historical Review 54 (1973): 419-33.

Wernick, Andrew. "The Post Innisian Significance of Innis." Canadian Journal of Political and Social Theory, (Winter, 1985), pp. 123-145.

Documents

"A Framework for Diversification in Western Canada", Ottawa: Minister of Supply and Services, 1988.

Bickle, Ian. "The Crow Benefit: A Transportation Subsidy or a Payment to Farmers," Saskatchewan Wheat Pool, January 8, 1983.

C.N. News and Partners in Progress (Remarks by J. Maurice Le Clair) Canadian National. (Winnipeg, Manitoba. February 1, 1983).

Constitution of Reform Party of Canada. Winnipeg: October 20, 1987. Ammended at Saskatoon, April, 1991.

Douglas, T.C. C.C.F. Minutes, Eighth Annual Convention, Archives of Saskatchewan, 1943.

Economic Council of Canada. "Living Together: A Study of Regional Disparities." Ottawa: Minister of Supply and Services, 1977.

Gilson J.C. "Western Transportation: Report on Consultations and Recommendations." Ottawa: Ministry of Supply and Services, 1982.

Government of Canada. "Western Transportation Initiative: The Policy Decisions." Ottawa: Department of Transport, February 1, 1983.

Government of Canada. "Western Transportation Initiative: Railway Investment Plans." Ottawa: Department of Transport, February 1, 1983.

Reform Party of Canada, Principles and Policies: The Blue Book, 1991. Alberta: Calgary, 1991.

Snavelly, Carl. The Snavelly Report. Ottawa: Department of Transport, 1980.

The House of Commons of Canada, Bill C-113, 2nd Session, 33rd Parliament, 35-36-37, Elizabeth 11, 1986-87-88.

Travacon Research Limited. "Rail Costs for 1980." (August 23, 1980).

Media

Archer, John. Interview with Gary Fairburn. (Regina: April, 1982)

Atkins, Joseph. "Poor Rail Service Better Than Crow Changes: Devine." Macleans. (February 25, 1983).

Canadian Broadcasting Corporation. Marshall McLuhan: The Man And His Message. Toronto: C.B.C. Productions, 1983.

"C.P. Rail To Spend \$85 Million On Eastern Capital Works Program," C.P. Rail News (February 1, 1983).

Drache, Daniel. Lecture given to the M.P.A. Graduate Students' Association, Concordia University, November, 1984.

Harper, Steven. "The Reform Vision Of Canada", Speech given to the Assembly of the Reform Party of Canada, April 5, 1991.

Laskin, Joseph. "A History of the Crow." Winnipeg Free Press (January 22, 1983).

Manning, Preston. The Road To New Canada. Address given to the 1991 Assembly of the Reform Party of Canada, April 6, 1991.

What Do The People Want. Address given to the Montreal Canadian Club, January 23, 1992.

"Opening A Window," The Globe And Mail. (February 1, 1988, p.4&5).

"Selling the Crow," The Globe and Mail. (January 11, 1984, p.8).

Waddell, Christopher. "Where Railways Will Spend Ottawa's Cash." The Financial Post. (February 12, 1983).