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Carleton University

The Politics of tobacco:

A study of the making of Bills C-204 and C-51

**A dissertation submitted to the Political Science Department
in candidacy for the degree of doctor of philosophy**

Department of Political Science

By

Andrée Laroche

Ottawa, Canada

Mai 1992

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THE POLITICS OF TOBACCO: A STUDY OF THE MAKING
OF BILL C-204 AND C-51

submitted by

Andrée Laroche, B.A., M.A.

in partial fulfilment of the requirements
for the degree of Doctor of Philosophy

Chair, Department of Political Science

Thesis Supervisor

External Examiner

Carleton University

June 4, 1992

Date

Abstract

In 1988, the federal government adopted two anti-tobacco bills, Bill C-204 and Bill C-51 to regulate tobacco advertising and tobacco consumption. This dissertation looks at the process which led to the adoption of these public policies in order to explain the anti-tobacco movement's success against the tobacco industry.

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LIST OF ACRONYMS

<u>ACA</u>	Association of Canadian Advertisers
<u>AR</u>	Annual report
<u>BCTWIU</u>	Bakery, Confectionary Tobacco Workers International Union
<u>CAF</u>	Canadian Advertising Foundation
<u>CCGD</u>	Canadian Council of Grocery Distributors
<u>CCS</u>	Canadian Cancer Society
<u>CCSH</u>	Canadian Council on Smoking and Health
<u>CCTAM</u>	Committee of Concerned Tobacco Area Municipalities
<u>COALITION 51</u>	Ad Hoc Association created during the C-51 debate
<u>CTMC</u>	Canadian Tobacco Manufacturers Council
<u>IAA</u>	International Advertising Association
<u>LNA</u>	Leading National Advertisers

<u>NATCD</u>	National Association of Tobacco and Confectionary Distributors Council
<u>NEPMC</u>	National Farm Products Marketing Council
<u>NHW</u>	National Health and Welfare
<u>NMB</u>	National Marketing Board
<u>NSRA</u>	Non-smokers Rights Association
<u>QAAC</u>	Outdoor Advertising Association of Canada
<u>QFCTGMB</u>	Ontario-Flue-Cured Tobacco Growers Marketing Board
<u>OPTIQ</u>	Office des producteurs de tabac jaune du Québec
<u>PSES</u>	Physicians for a smoke free society
<u>QFCTPB</u>	Quebec Flue-Cured Tobacco Producers Board
<u>SFS</u>	Smokers Freedom Society
<u>TAISS</u>	Tobacco Area Industrial Strategy Study
<u>WAR ROOM</u>	Anti-Smoking Coalition

CHAPTER I

INTRODUCTION

1.1 Preface

This dissertation looks at the politics of tobacco in order to find plausible explanation for Bills C-204 and C-51. There are several possible explanations that can account for the two bills. First, one could bring a «common sense» explanation which would propose that as knowledge of the effects of tobacco spread, action became inevitable. This view is certainly relevant to explain the growth of awareness and the action of the medical community but politics is not that simple. This view overlooks the power of the tobacco industry.

On the other hand one could focus on the power of the tobacco manufacturers. The process which led to the adoption of those two bills was often compared to the «David and Goliath» myth when the boy David managed to slay the giant Goliath. The Manufacturers' (Goliath) superior financial resources, their organizational and

their interorganizational resources could certainly help us to understand why the earlier attempt to regulate the tobacco industry failed and how the industry managed to delay the two bills. But the bills did go through which shows that «David» indeed became politically skillful. We believe the most plausible explanation has to focus on «David's» developing strength. By studying the development of the anti-smoking groups' organizational and inter-organizational resources, we can begin to understand why David was able to succeed in striking a blow against Goliath.

One of the main thrusts of this thesis is that the political actors who wish to decide or take part in the decisions over resource allocation and social orientations are necessarily involved in a power struggle. Power is obtained through a combination of elements such as organizational structure, resource mobilization and deployment as well as the interactions among the organizations, public and private. It is these factors which contribute the most to defining policy outputs.

Power is certainly linked to the financial resources a group can mobilize; yet other factors and resources are also at work. This is to say that financial resources are not necessarily the sole or even the primary determinants of a group's success.

Although they are important, they are not sufficient to allow the organization to win in every situation. This helps to explain the recent success of anti-smoking organizations over the well-organized, and well-financed tobacco industry.

To explain the passage of bills C-51 and C-204 we shall use a neo-pluralist approach. In other words, the original insights of pluralist theory are modified to take into account (1) the complexity of the state which pluralist theory tended to treat as an unopened «black box» and (2) the growing importance of «social movements» who raise «quality of life» issues taking politics beyond the traditional «who gets what, when and how». Both new elements - the state and social movements - will be dealt with in a manner that emphasizes the importance of organizations. That is, the state will be treated as a complex of semi-autonomous organizations each with their own perspectives, resources etc.. (Allison 1971) Social movements, too, need organizational resources, if they are to be effective: «nobility of cause» is not enough. Hence we shall speak of «social movement organizations» (SMO) rather than «social movements».

Thus, we propose that public policies are the result of a process in which organizations - public and private- struggle to control public policies regarding resource allocation and social orientations. Three features of the struggle are important in the understanding of public policies: the organizations involved, the resources that the organizations' possess and can mobilize, and the way they deploy them during the struggle. Also important are the interactions among the organizations involved in the policy domains or in the debates.

We shall now look at the different concepts used in this dissertation. The first section of this chapter looks at the concept of interest groups as it appears in the original pluralist paradigm. The major line of criticism addressed to pluralists, which concern the role or the place of the state in the power struggle, are discussed paving the way for the insertion of the new concepts which are central to the neo-pluralist approach. Pluralists were criticized for ignoring the state, treating it as a black box. Here we view the state as a complex of semi-autonomous organizations. The next section presents the elements which we consider determinant of group power. Following the neo-pluralist paradigm, we look at the different types of resources needed, the impact of the structure of the group (organization) and interorganization interactions. The theoretical backgrounds of those concepts are also presented. Sec-

tion three brings broader clarifications to questions raised regarding the role of non-profit oriented groups, their proliferation, and their capacity to become powerful. Finally, we look at the social movement theories to present the concept of «social movement organizations».

1.2 Pluralism

The study of group behaviour is not a new preoccupation for political scientists. Since the 1920's, the study of groups has formed an important component of political science. Yet, there are different ways of approaching the role of groups in the policy process. As Alford and Friedland (1985) have argued, there are at least three ways of conceptualizing the role of groups: pluralist, managerial and marxist. By pluralism, we mean the study of the political process developed in the United States in the 1930's and 1940's, and later, by political scientists like Robert Dahl who espoused a certain view of democracy and policy determination. It views the policy process as created through the activity of a plurality of groups in which no one had a «monopoly of representation». (Schmitter 1981) As Truman, a pluralist, argued in 1950, «politics can be understood only looking at the interaction of groups». (Truman 1950, 17) Constitutional studies were declared to be fruitless. The real dynamic of politics was said to lie in the study of what has come to be known as the «raw material of politics» i.e. interest groups. Other features of the system such as the political parties were of course regarded as relevant. In the late 1960s, however, there was a growing chorus of criticism directed not at the study of

interest groups per se, but rather at the larger theoretical assumptions embedded in the pluralist paradigm.

The pluralists' major objective was to explain public policy by looking at group interactions. They saw society as composed of a variety of «manifest» and «latent» interests. The former were overtly involved in competing for public benefits while the latter constituted the basis for potential new participants in future struggles. As these became manifest interests, one saw the creation of groups who competed for the rewards at stake in public decisions. For pluralists, interest groups would be composed of individuals who share values and purposes. Interest groups would interact with other interest groups and from this group interplay public policy would emerge. (Berry 1984) The competition between groups was not only the basis from which public policies emerged but also a basic requirement for democratic politics. (Almond 1958)

For pluralists, the stability (even «legitimacy») of the political system was not undermined by the existence of economic inequality - as long as political resources were equally distributed. Stability also hinged on the existence of consensus, the

sharing of certain basic norms and values which meant that group conflict took place within certain parameters. Interest groups moreover offered the means for the articulation, the interpretation and communication of different interests.¹

The question of the respective influence or power of each group over the process was also central. For pluralists, public policies were the result of the exchanges among groups and represented the respective influence of each group involved. Influence was determined by several factors like numbers, wealth, organizational strength, leadership, access to decision makers and internal cohesion (Dye 1984, 26) or what Claus Offe has called the «properties of the constituent elements of the organization». (Offe 1984, 222). As Graham Wilson further explains, for pluralists the study of power was a relatively simple enterprise. As Robert Dahl did in his New Haven case study, one could count the number of times a group had successfully initiated policy and come up with a map of the influence of each group. (Wilson 1981, 6)

¹ (Parties were generally seen as the aggregators of interests but associational groups also perform a role (Almond 1958)).

For pluralists, influence or power was not reserved for the upper classes. There was no such thing as an «iron triangle» or a group having a permanent say over all public policies. They believed that other individual and groups could, if they had or acquired the resources, meaningfully take part in the process. As Alford and Friedland indicated, the combined resources of organizations other than business were considered able to challenge the interest of business. (Alford and Friedland 1985, 153) For most pluralists, «business interests pursued agendas that stopped far short of the full range of public issues and policy decisions. Consequently, their resources, though imposing, were often not brought into play». (Salisbury and al 1987, 1230) Moreover, as Robert Dahl has argued, «a citizen who has less of one resource than another may nonetheless gain greater influence because he has other resources. Though he has less money, he may have more time, more energy, greater popularity, stronger ethnic ties». (Dahl 1987, 396) As we shall see, this proposition (with some qualifications - see below) is relevant to the tobacco case.

While the pluralist paradigm dominated North American political science in the 1950's and 1960's, it was not without its critics. Before we present these critics, it is relevant to add that despite the growing chorus of criticisms, pluralism has not been abandoned. Rather, it has been modified to incorporate important points raised

by the critics, hence the term «neo-pluralism». As Gabriel Almond has clearly demonstrated in his brilliant article on pluralism, there have been three waves of studies on interest group theorizations since the late 1920's. The third began in the early 1970's. (Almond 1983). Thus, several American and European political scientists, such as John Walker, Samuel Huntington, Charles Lindblom, Paul Pross continued in the 1970's and in the 1980's to make interest groups their main focus. They have added, however, new concepts and ideas. They called for a better understanding of the interaction between groups and state organizations and of the mechanisms which provide power to groups. This also led to a series of new studies and group theories which developed ideas advanced earlier by scholars like Mancur Olson. Thus, instead of looking at groups in an isolated way, new questions concerning the structures of conflict, resource mobilization, the state's dominance and interests, interactions among organizations became pertinent. It is this basic perspective which will be adopted in this thesis.

1.3 Critique of pluralism: the state

The major challenge to pluralist analysis was the «reintroduction» in the 1970's of the state as a dominant concept. As David Easton explained, «All these four sources-marxism revived, a longing for traditional strong authority, economic liberal and policy analysis - have converged to reinvigorate the state as a concept for social research». (Easton 1981, 306) Since the beginning of the 1970's, several theories of the state and state power have emerged. Marxists from different schools of thought can be said to have launched the debate on the state. Two dominant conceptions have been advanced: the state which is conceived as an instrument to promote the interests of the ruling class, or the state which is viewed not as the servant of that class but as seeking to promote what C. Offe has called «the collective interests of all members of a class society dominated by capital». (Offe 1985, 119) Those two views can be encapsulated in these words - whether the state acts at the behest (instrument) or on the behalf of the ruling class.

The questions on the state within the marxist paradigm opened up debates like the famous Miliband - Poulantzas debate which counterposed these two views on

how and why the state acts in the interest of the ruling class. According to Miliband it is because the ruling class «finds its political expression directly in the apparatus of the state» whereas, according to Poulantzas, state behavior was conditioned by «the structure of the relations of production». (Carnoy 1984, 104-105) Marxists also raised the question as to how and why interests other than those of the ruling class could find echoes in state apparatus. An interesting proposition was developed by Rianne Mahon. Using the concept of «unequal structure of representation» she argued that the hierarchy within the state allowed several groups and interests to be heard but the structure of the power relations within the state limited their capacity for their interests to dominate. (Mahon 1984)

In contrast to the marxist view (state structure as reflecting the dominant power relation) neo-pluralists have responded to the criticism by incorporating a conception of the state as invested with its own interests, whose different organizations - whether departments, bureaucracies, branches, offices, - are more or less coordinated. (Allison 1971, 67).² It is important to note that such coordination is always partial for state organizations to compete with each other, for resources as

2 This approach is congruent with the second paradigm (organizational process) presented by Allison (1971) and Paul Pross analysis of the diffusion of power. (Pross 1986, chapter 3).

well as to impose their values and norms through public policies. As Laumann and Knoke explain «government organizations may even be divided themselves over intentions and strategies». (Laumann and Knoke 1988, 25) Or, more broadly «state managers and interest group leaders struggle to mobilize political resources that shape public policy beneficial to their organizations' objectives». (Laumann and Knoke 1987, 8) Thus, for the neo-pluralists, the state is not a unitary actor which simply responds to outside pressures as in the marxist or the classic pluralist paradigm. The state has its own agenda.

In this thesis we view the state as a set of organizations, each with their own values and interests. The power struggle within the state pits state organizations one against the other. In pursuit of their interests, state organizations often seek the support of favourable groups.

1.4 The power of group; the determinants of power

The critiques of pluralism also raised questions on the power of group and the power of different types of group as well as on the impact of financial resources in the power struggle.

The critics questioned the pluralist assumption of the absence of permanent domination by business interest i.e. the notion that «cross-cutting cleavages, overlapping membership, social mobility create a fluidity among various organized groups and undermine the base on which a situation of permanent domination could be constructed». (Berger 1981, 13) Several authors have criticized this view. They believed that business group dominate the power struggle because of their large resources or because they enjoyed a privileged position. For instance, C. Wright Mills argued that a small set of elites ruled America and prevented any other group from becoming influential. In Politics and Markets, Charles Lindblom, one of the early pluralists, conceded that business groups enjoyed a privileged position in the power struggle. For Lindblom, this position was not related to the resources those groups had but to the indispensable functions they performed in a market-based society. Here, Lindblom echoes the stance taken by marxists like Claus Offe. (Offe 1974).

Some, however, like neo-pluralist and new social movement theorists, argued that non-business group could compete if they fulfilled certain conditions. In this thesis we take a neo-pluralist view by proposing that while financial resources matter other resources do so. As it will be argued below, resources and organizatio-

nal skills can allow non-business groups (also called non-profit oriented groups) to have a say over the allocation of resources and in the formation of social orientations. Three elements are considered essential: resources, organizational skill and interaction with other organizations.

Resources

On the one hand, we find authors who have closed the discussion on resources by arguing that financial resources are the sole determinant of group's power. On the other hand, there are analysts who have a more liberal view of the problem and believe in the power of other type of resources. Yet, it appears that there is still a lot of debate and uncertainty about the types of resources needed to be powerful or effective.³ Several scholars have presented their own mapping of the resources at work in the power struggle. Suzanne Berger has identified two types of resources used by groups: economic resources which include the control of capital and labor and what she called «citizenship resources» which is the control of numbers and

3 There were very few serious attempts to systematically test the resources an organization needs to advance its cause: Laumann and Knoke have tested eight different resources by asking organizations in two policy domains which resources they believed other organizations' influence was based upon. (Laumann and Knoke 1987, 198)

legitimacy. (Berger 1981, 13) She also proposed that greater access to the resources makes organization of labor and capital potentially more powerful than any others but she does not assume in advance that this will occur every time an important issue arises.

Paul Pross has proposed a more elaborate perspective on group resources. He has divided resources into three categories: 1) knowledge, 2) mandate, 3) wealth. He argues that a group needs knowledge about policy and how the policy process works, as well as who to talk to to be influential. A group would also need a mandate to be heard by state representatives. Mandate is here synonymous with public recognition from the members of your own organization as well as other organizations. Finally, on the question of wealth Pross suggests that both the amount and the source of the wealth are important. He also argued that government subsidies to non-profit oriented groups have a negative impact on these groups: «it makes groups flabby, vulnerable and manipulative». (Pross 1986, 188)

Zald and McCarthy have identified several types of resources in their theory of resource mobilization and the new social movements. Those resources are labor,

legitimacy, money and facility (Zald and McCarthy 1987, 22). They also offer a more advanced hypothesis in answer to the problem raised by Pross. They believe that if the flow of an organizations' resources depends in most part upon one source or one constituent, its stability can be affected. (Zald and McCarty 1987, 30) This, in turn, could affect a group's capacity to influence public decisions. This applies to both profit and non-profit oriented organizations.

As we can see the issue on the kinds of resources and the relative weight to attach to each remains a focus of debate within the new literature on social movements as well as other paradigms. One way of (temporarily) resolving the issue is to argue that each policy domain calls for a combination of resources. In a power struggle, resources are «substitutive»: a lack of one resource can be compensated for by the presence of another one. We also believe that any type of resource is potentially powerful. Organizations can use resources of various types. This «interchangeability» means that business organizations, even if they hold greater financial resources, can be challenged by groups which hold other resources. As the reader can see this proposition is similar to the one developed by earlier pluralists like Dahl. Resources could be divided into five different categories: financial resources like wealth; human resources which include people, professionals, employers, volun-

tary workers; technical resources such as information, knowledge, time; public mobilization resources which encompass mandate, support of public opinion or opinion leaders and ideological resources which refer to norms and values shared by general and specific publics and a certain control over their interpretation. These are the elements organizations can use in their efforts to convince other organizations to support and/or to endorse their cause as well as to shape public policies.

Yet, even if a group's cause is «noble», it is not enough to convince other organizations to join the bandwagon. It can also be important to mobilize the broader public. To do so, an organization may use different means like direct or mass mailing. It can turn to publication of pamphlets, books or any other documents. As we shall see, anti-smoking forces have relied heavily on publication. Groups can also rely on «media communication» which as Paul Pross suggests is designed to «draw public attention to an issue». (Pross 1986, 123) In our case study, the non-profit oriented organizations in fact made greater use of media communication (e.g. newspaper advertisements) than did profit-oriented organizations. The latter usually restricted their communication to specific publics with whom they had established affinities.

Organizational Skills

Resources are one of the determinant of a group's power. Another element of this power is the group's structure or what is called «organization». Organizations are the dominant actors in society which seek to control public policies and society in general. Yet, it is the development of the organizational skill of a group which allows the group to become a powerful source in society. In order to pursue this line of argument, a definition of «organization» is needed. We propose that organizations are rational actors which elaborate strategies to shape public policies and to influence society. As J.G. March explains, «as long as we assume that organizations have goals and that those goals have some classical properties of stability, precision and consistency, we can treat an organization as something of rational actor». (Lauermann and Knoke 1987, 25) Alford and Friedland have further mapped the characteristics of an organization. These are:

«(1) specification and justification of tasks, (2) criteria of accountability for performance and sanctions for failure to perform (3) technical capabilities, (4) procedures for selecting personnel according to ability to perform a given task and procedures for rewarding or removing them (5) a hierarchy of officials charged with implementing the tasks and carrying out these requirements». (Alford and Friedland 1985, 162)

The mapping of the attributes of an organization allows us to propose that in society one can find a large variety of groups. Organizations are groups which have relatively complex and well developed structures. These structures are determinant of the groups's capacity to mobilize resources because «to mobilize resources one needs a minimum of organization» (Zald and McCarthy 1987, 19), and it appears that the more the structure of a group is developed, the better it can mobilize and deploy resources.

Organization Interactions

We have presented the theoretical assumptions behind two of our dominant propositions - the resource factor and the organizational factor. We now move to the third and the last element which we believe is determinant of the organization's power over public decisions: interorganizational interaction.

Organizations struggle, compete and sometimes unite to impose their interest upon public decisions. Interorganization interactions serve different purposes but as Laumann and Knoke argued, one can identify three main reasons why organizations perform what they have called the «generic relationship». (Laumann and Knoke

1988, 12) These are: information transmission, resource transactions and boundary penetration. Thus, organizations interact with other organizations to acquire more knowledge, to have access to more resources and to gain the support of other organizations by creating common boundaries.

One can distinguish between interactions among private organizations and interactions between private and public (state) organizations. Interaction among private organizations usually involves the exchange of resources like knowledge or information with other organizations active in the same policy domain or with organizations which have the same interest. Competition between organizations with affinity also occurs: Organizations compete for public recognition (mandate). They compete for financial resources, to attract professional resources etc. because «no organization is capable of generating all the resources necessary to sustain itself». (Laumann and Knoke 1988, 13) As this case study will show, interorganizational competition can be put aside at times when it seems clear that cooperation is essential to success. Organizations also look outside the policy domain to find allies, as with the media and opinion leaders or other organizations. As Laumann and Knoke indicate, this relationship - the boundary penetration relationship - serves both «instrumental and solidarity maintenance functions... (it) includes common

membership...ad hoc coalitions to pursue limited political objectives». (Laumann and Knoke 88, 13) This feature of the struggle is well explored in this dissertation when we look at the different coalitions which the manufacturers and the anti-smoking forces organized.

Interactions between state organizations and private organizations are important because the state is in charge of more resources and because it is the state which sanctions changes and social orientations. It has the final say over the «binding decision». In addition, it is the state which decides on social values and social norms whether by reacting to outside pressures or to the pressures of its own organizations in which are embedded particular norms, principles and values that these organizations seek to maximize.

Private organizations interact with state organizations to be heard, to be recognized as having a mandate or a say over a set of decisions or to acquire a permanent voice in the policy process. In other words, organizations that wish to be part of the inner-circle of the policy community which Pross views as «a dominant piece in determining government decisions in a specific field of public policy».

(Pross 1986, 98) The policy community is populated by public and private organizations, media, etc. Outside the inner-circle, one can find the «attentive public» or the interested outsiders which, as Pross suggests, may be excluded because of their opposition to prevailing policy trends. As we shall see, the NSRA falls into this category. Yet, interactions between private and public organizations also aim at securing access so, in time of controversies or decisions, the organization's right to be consulted will be respected by top state representatives as it was in the case of tobacco manufacturers and the National Department of Health and Welfare. Paul Pross has called these interactions «access-oriented communication» which he defines as «a focus on generating a receptive attitude at the political and administrative level, as well as on achieving more narrowly defined goals, such as the sympathetic interpretation of the regulations group members must comply with». (Pross 1986, 123) Those interactions can also be called lobbying activities.

Private organizations also interact with state organizations to keep, to receive or to have access to more resources, such as information, other technical resources or financial resources through subsidies, loans, taxes, etc. This feature of the interactions between state organizations and tobacco related organizations is also studied in this dissertation.

State organizations benefit too from those interactions and it appears that various parts of the state are now more inclined to turn to what several authors have called a «partnership» with private organizations in order to regain some of their legitimacy and to find alternative solutions to problems created by financial constraint, increasing pressures from private organizations and the greater complexity of the policy issues. As Susan D. Phillips suggests, partnership entails «joint action» to solve a problem and the «decentralization» of power». (Phillips 1991, 206) Such relations are not entirely new: As Pross has argued, public organizations have often maintained close relations with private organizations, forming distinct «policy communities». Yet, partnership implies greater interactions between state organizations and private organizations. For the latter, it can mean access and resources. For public organizations, interactions with private organizations can mean more revenue, more control over a policy domain, and broader support for their programs and policies.

1.5 The proliferation of non-profit oriented groups and the rise of social movements

The impact of the structuring of non-profit oriented groups, their use of many different types of resources and their interaction patterns can be seen in their current

impact upon opinion leaders and the general public. Yet, many questions can be raised regarding their capacity to translate this support into power i.e. whether they can influence decisions over the allocation of the societal resources and social orientations. One can find some insights in the theories designed to analyze the new social movements which look at the rise and the evolution of social movements as well as the elements needed by social movements to gain this power. Before one can look into this literature, however, one needs a better understanding of the different kinds of groups (group typologies) and the factors behind the emergence of this new form of collective action. These theories also helped to understand social movements' current place in the power struggle. As it is argued below, the value shift which has occurred in Western societies is responsible for the proliferation of non-profit oriented groups although the state has also played an important role. Yet, to understand their current power, one also needs to go further and has to look inside the structure of these groups and look at their exchanges with other organizations.

The Proliferation of Non-profit Oriented Groups

When studying contemporary organizations, one cannot avoid noticing the growing number and the importance of non-profit oriented organizations since the 1960's. Not only have they grown in numbers, as it is the case in the environmental and social groups, but they have also succeeded in capturing a place in the power struggle as can be seen from their current interactions with state organizations as well as the new type of policies they have managed to put on the agenda. Different explanations for the proliferation of these new groups and their success have been produced. One can find two dominant propositions. (Offe 1984, 75) One of the most interesting was developed by R. Inghelhart (1984) who proposed a social-psychological theory of the phenomena. According to Inghelhart there have been «an important shift in the values priorities of western publics». (Inghelhart 1984, 26) The struggle within western societies would now pit what he has called «materialist» against «post-materialist» values. The latter are those who have espoused issues and needs which are only loosely related to conflict over ownership of the means of production and to traditional social class conflict. (ibid, 26) Those issues are, in the words of C. Offe, «post-acquisitive needs, such as those for an actualization of

universal needs, political and aesthetic values». (Offe 1984, 75). They ranged from environmentalism, to women's issues, to gay's rights, etc.. Ingelhart's theoretical assumptions are not original. They recall Maslow's theory of the pyramid of needs and several authors before him had claimed what is called the «irreversibility of an achieved level of moral consciousness». (Habermas cited by Offe 1984, 75). Nonetheless, Ingelhart's work is insightful because of the empirical evidence he provides on the impact of those new values on voting behavior, elections and public policies.

Other authors have turned to the state to explain the proliferation of groups, non-profit as well as profit-oriented ones. An interesting proposition was developed by the K. Paltiel who suggested that the state was itself a «progenitor and prime mover in both the fostering of intervention and the formation of groups». (Pross 1982, 172) In other words, state organizations could legitimate their own existence and justify their budgets by supporting groups (clients groups) who articulate claims supporting bureaucratic goals action. Yet, as we have mentioned above, according to Paul Pross, government subsidies to non-profit oriented groups («issue-oriented» groups) can have a negative impact on their behaviour. As we shall see, this did not

prove to be the case for the non-profit oriented groups operating in the tobacco policy domain, whose revenues do depend on government subsidies.

The proliferation of non-profit oriented groups and the rise of new social movements in the late 1960's have spawned new efforts to distinguish these new forms of collective action. Groups have been classified as public versus private groups, material versus benefit group, profit-seeking versus policy takers, material oriented versus humanitarian groups. (These typologies echoed classifications developed much earlier like the ones we found in the work of the earlier pluralists like Truman). Yet, these kind of typologies proved problematic because it turned out to be an ideological exercise (Pross 1986, 23) and it did not tell us anything about the structure of these groups. In order to avoid these traps, Paul Pross has developed a new typology which expands the pluralist paradigm to include work on group organizational characteristics and new theories of the state.

Groups are classified according to their level of institutionalization based on their interaction with the state and the political system and their internal structure. Thus, he distinguishes between what he has called institutional groups and issue-

oriented groups. The former are groups which possess «organizational continuity and cohesion... They have extensive knowledge of those sectors of government that affect their clients and enjoy easy communication with those sectors... (they possess) ... stable membership... concrete and immediate operational objectives and their organizational imperatives are generally more important than any particular objective». (Pross 1986, 115) Issue-oriented groups are the opposite. Their membership is more volatile. They are badly organized. They have difficulty in formulating short-term objectives and they do not know much about government. (Pross 1986, 117)

Pross' model is useful because it incorporates new knowledge of organizations and the state. Yet, it has major weaknesses, especially in its conceptualization of issue-oriented groups. His model suggests that issue-oriented groups are by nature less efficient than institutional groups. For Pross, issue-oriented groups, which are originally strongly ideological, would have to abandon their «ideological» nature to become an institutional group, i.e. organization. This overlooks the possibility that such groups would develop organizational complexity while retaining their ideological nature.

Organization does not hinge on type of group and the example of Non-Smokers Rights Association, which is studied in this dissertation, is surely relevant to demonstrate the inappropriate generalization built into Pross' proposition. As the new social movement theorists propose today, it appears that non-profit oriented groups can surpass what Pross sees as their natural handicap by adapting their structure to the requirements of the power struggle. Such developments allow them to make more systematic use of their resources. Other elements are also at work such as their relation (interaction) with state organizations; the presence within their ranks of professional, strong and very active leaders who are totally committed to the cause; the tendency they have to form coalitions which allow them to overcome what Pross views as their original weakness. As we shall see, new social movement theorists have a different approach to the question raised by Pross on the capacity of non-profit oriented groups to become powerful. They argue that resources, organizational skills and coalition allow them to pursue their goals with considerable effect.

Social Movements

Traditionally, social movements have been studied as an expression of «grievance and deprivation». The traditional theory, which is also called the «classical

theory» focused on the psychological elements - the hearts and minds factors - which motivate atomized individual to become participant of the movement. Yet, the emergence as well as the struggle of issue-oriented groups and the rise of a new form of social movements⁴ have forced social scientists to reconsider their theories on social movements. Two dominant theories have been presented to oppose the psychological paradigm: the resources mobilization theory and the identity theory. Both have their origin in the managerial paradigm. As Cohen explains, each focus on a specific sets of elements of the social movement. The identity theory which is associated with authors like Touraine and Melucci addresses the questions of the origin and the logic of group solidarity (Cohen 1985), and focuses on specific features of the struggle such as ideology, symbolism, discourse, and motives. The resource mobilization theorists, who have develop the approach we favor, focus on the elements which allow social movement to «grow, decline and change» (Zald and McCarthy 1987,20) i.e. on the «nuts and bolts» (Gawson 1985) of the social movements.

4 New social movements are the opposite of the early twentieth century social movements which were then more preoccupied by the quantities of revenues rather than the quality of life. (Offe 1987) Feminism, equal rights movements, anti-racist movements, environmentalism are some of these new social movements.

J.L. Cohen has compared the identity paradigm and the resource-mobilization paradigm. For Cohen, one of the dominant characteristics of the latter is to have demonstrated that new form of collective action requires sophisticated organizational forms and modes of communication. (Cohen 1985, 674). Cohen has also mapped some of the resource mobilization theorists' core assumptions:

«goals and grievances are permanent products of power relations and cannot account for the formation of movements. This depends instead on changes in resources, organization, and opportunities for collective action... Mobilization involves large-scale, special purpose, bureaucratic, formal organizations». (ibid)

Zald and McCarthy offer a new definition of social movement which helps us to understand this approach. For them, a social movement is «a set of opinions and beliefs in a population representing preferences for changing some elements of the social structure or reward distribution or both of a society». (Zald and McCarthy 1985, 20) This definition is completed by a definition of the actors who comprise the social movement and this is the most pertinent aspect of the theory «a social movement organization (smo) is a complex of formal organizations that identifies its goals with the preferences of a social movement or a countermovement and attempts to implement those goals». (Zald and McCarthy 1985, 20). What Zald and McCarthy are saying is that the study of «hearts and minds» is irrelevant (i.e.

countering Pross earlier claim) to understanding the origin and evolution of a social movement. Rather, one should study the mobilization of resources, the difficulty in mobilizing these, and the nature of the organizations involved in or related to the social movement. Resource mobilization theorists would go as far as to say that grievances and causes are the creation of powerful organizations.

A study of the structure of these groups - what Zald and McCarthy call their «infrastructure» - is also an important piece in the explanation of a social movement's success. In addition one should also study a group's affinity for other groups, its probability of forming coalition with such groups as the factors underlying a social movement's success.

The new social movement literature is very useful in helping to develop an approach that help explain the anti-tobacco social movement and the norms, values, and policies which have resulted from this movement. It forces us to direct our attention toward the groups and organizations which are behind this movement, to look at the way they mobilized resources, as well as the way they succeeded in attracting new resources or using other organizations' resources. As we shall see the

anti-smoking organizations' success fits well into the explanation through the study of resources mobilization and coalition formation. For instance, it allows us to show how the anti-smoking forces have focused on producing a value shift. At the same time, we shall also see that it was not enough that the anti-tobacco cause was «noble»: the anti-tobacco organizations started getting results when they united their resources and strengthened their internal structures.

The major weakness of this new social movement theory, however, is the absence of reference to the state. Here we would include the state as a dominant concept in the understanding of both those changes of norms and values as well as the success of anti-smoking organizations. As we mentioned before, the state has been a «progenitor» of these new forms of collective action and the state is now the dominant system of organizations.

1.6 Summary

Before we go ahead with this case study, it is essential to remind the reader that we believe the neo-pluralist approach is a particularly insightful approach to the study of public policies. It allows us to follow the making of policies through the

development and the action of organizations, and the interactions among them. The neo-pluralist perspective has an accurate sense of the power struggle which is characterized by the diffusion of power and the possibility of different types of group to become effective through the use of several types of resource. The perspective has a clear sense of the structures of the state, the contention among state organizations to advance their interests, and the interactions among state organizations and private organizations which produce public policies. Our main propositions are as follows. First, resources are at the basis of an organization's power but a plethora of resources -- not only financial clout -- can be used and can be effective. Those resources can be directed to gaining the support of other organizations and to persuading them to pool their resources. A social movement's success rests upon well-structured and resourceful organization but financial resources are by no means the most important. The same can be said about grievances or the «nobility» of the cause which the group defends. Finally, organizations interact with each other to have access to more resources, to find allies and supporters. The ultimate aim of these interactions is to take part in the decision making process in order to affect resource allocation and decisions regarding social orientations.

This case study of the politics of tobacco is divided into four chapters. First, we look at the tobacco industry which helps to shed light on the industry actors and its resources as well as its power before the rise of the anti-tobacco social movement. Chapter three looks at the interactions and the exchanges between producers and manufacturers, and between the tobacco industry and state organizations. This section sheds light on the strength of the tobacco industry and its success with certain organizations within the state, notably the federal departments of Finance and Agriculture. Chapter four presents the anti-smoking social movement, its members and their relations with a sympathetic organization within the state, Department of National Health and Welfare. This chapter also looks at the first attempts to regulate the tobacco industry. The final chapter follows the debate surrounding C-51, the manufacturers' campaign and the anti-smoking coalition. Here it will be argued that Bill C-51 was saved by the latter's actions, notably the role played by the «war room» which mastered the support required to carry the bill to third reading. In conclusion, we reassert our theoretical assumptions and some of our findings.

Chapter 2

THE TOBACCO INDUSTRY

2.1 Introduction

The study of tobacco-related policies calls for an investigation of the different actors involved, and we start this study by looking at the tobacco industry. We look at the organizations involved in that industry, the resources they possess, the interactions among them, and the type of exchange relations they have developed over time. The purpose of this chapter is also to lay out the considerable economic, financial, and organizational resources which the industry possesses, for this helps us to understand the energetic «combat organization» which the anti-smoking forces faced.

This overview presents the tobacco industry as a lucrative industry but one which has suffered from major setbacks since the mid-eighties. Some indicators such as the figures on the number of tobacco producers, the volume produced, the

total sales of cigarettes, and the numbers of smokers between 1979 and today clearly demonstrate the decline of the tobacco industry. As we show in greater detail later, however, these figures, even if exact, do not give an accurate picture of the situation. At the end of the 1980's, the tobacco industry was not dead and some of its members were still in «good health».

2.2 A Considerable And Lucrative Industry

In 1984, the industry had an economic impact of \$ 5.2 billion or 1.2 percent of the gross national product (GNP). The industry was responsible (directly and indirectly) for generating 61,000 jobs, of which 45,000 were directly in the industry. (Peat Marwick 1986). Of course, the extent of the economic contribution of the tobacco industry is not an uncontested matter. When looking at the above figures, one should be aware that the study was commissioned by the manufacturers. Nevertheless, one cannot deny that the tobacco industry was indeed a very important source of jobs and revenues for the government. It was also an important source of revenues for different sectors of the economy, such as advertising firms, or tobacco retailers. At the end of 1988, there were approximately 1,500 Ontario farmers active in the tobacco growing industry, and 150 in Quebec. (OFCTGMB, A.R. 1989) At

the manufacturing level, there were approximately 4,900 workers in the different manufacturing plants in Ontario and Quebec. (CTMC, *Le Tabac Au Canada*, 1989)

A quick look at the history of tobacco growing shows that the tobacco industry had arrived at its peak in the early 1980's and since then it has been in a state of progressive decline.

If the tobacco industry has suffered from a progressive decline since 1983, when «combined sales of cigarettes and tobacco for hand-rolled cigarettes declined by 4%, the first appreciable decline since 1949» (Collishaw, 1984,7), other indicators show that between 1983 and 1989, the net return from the sales of tobacco products was not affected by this decline, thus leaving some actors untouched by the downturn.

Nevertheless, one can see a major restructuring of the tobacco industry: a reorganization through which each level began to adapt to the changes in smoking habits, to the state's new taxation policies, and to regulation of tobacco advertising and sponsorship. As it is often the case, some have had to pay a higher price than others. The tobacco producers (mainly the small scale or new farmers, and people

who work in tobacco manufacturing plants) have had to bear the most of the costs of the transformation of the tobacco industry. Yet, if one looks at the figures on the manufacturers' activities, one can easily see that they prepared in advance for that decline. They have diversified their operations or they have concentrated their assets into this operation. As a general rule, their net profits have not suffered from the decline of the tobacco industry.

This study of the tobacco industry also shows that members of the different spheres of the industry have created strong organizations to defend their interests and to secure their lucrative industry, as well as to keep government intervention as low as possible. They fought zealously against taxation increases and anti-tobacco regulations. Members of the tobacco industry have also arranged to avoid disagreement with each other. Thus the growers' drive for more power was rapidly neutralized, as will be shown in the discussion of the National Marketing Board case. This strategy worked well until the decline of tobacco smoking was translated into an important decline of the manufacturers' demand for tobacco leaves. The growers then pressed for more resources. This power struggle between growers and producers was then complicated by the willingness of some state organizations and anti-smoking organizations to regulate tobacco advertising and cigarette consumption as

well as to increase tobacco taxation. The industry reacted using different means and strategies, but generally can be said to have lost the political battle. In our next chapter, we shall explore the reasons behind the failure of tobacco organizations to neutralize those pressures. Here, we shall focus on providing an overview of the industry which can act as a backdrop to the politics analyzed in subsequent chapters.

2.3 Tobacco Growing And the Growers' Organizations

Tobacco growing was first brought into Canada by the early settlers of the sixteenth century but it had a very slow start until the nineteenth century. In this period, pipe tobacco and cigar tobacco were the main products cultivated. By the start of the twentieth century, however, consumption patterns changed from the chewing of tobacco and pipe smoking to cigarette smoking, and this shift provided the incentive for planting new types of tobacco.

The economic crisis of the 1920s was also beneficial for tobacco farming: it served to convince the farmers, on the edge of bankruptcy, to turn to what was known at the time as the «green gold». Due to the farmer's lack of liquidity, manufacturers and farmers united in syndicate production. The production of tobac-

co grew steadily in volume until 1981, peaking in 1974 when 238,063,951 pounds were sold by auction in Ontario. (OFCTGMB A.R. 1989, 21) The number of producers active in the tobacco growing industry also grew steadily: in 1967 there were 4,513 tobacco farms in Ontario registered with the OFCTGMB. (OFCTGMB 1971, 12) Nevertheless, the development of the tobacco growing industry was not without its problems: the competition between Quebec and Ontario growers, which ended in the latter's favour; tensions between growers and manufacturers; natural disasters; and the progressive decline of consumption and growing government intervention. Today, the tobacco manufacturing industry uses more than seven types of tobacco in its production. More than ninety percent of Canadian production is made up of flue-cured tobacco. Flue-cured tobacco is also the most frequently exported. Depending on the period, tobacco exports have represented up to forty to fifty percent of the total tobacco produced in Canada. (Imperial Tobacco 1985) More than eighty five percent of the total flue-cured production is grown in Ontario. Naturally, this concentration of production in Ontario will be reflected in the acreage cultivated in Ontario (34,398 in 1985, compared with 3,011 in Quebec, and 1,922 in the Maritimes), (Statistics Canada, 1987, 22-003), as well as in the number of producers engaged in tobacco farming (2,000 in Ontario in 1986 compared with 129 in Quebec for the same year, 72 in Prince Edward Island, 17 in Nova Scotia

and 7 in New Brunswick), (Department of Agriculture Canada 1987). This concentration is also reflected in the level of development of the Ontario tobacco producers's organization compared to the Quebec producers board.

Tobacco growers are one of the two dominant actors of the tobacco industry. By tobacco growers we are referring to the people who either on an individual base or in syndicate are active in the farming of tobacco. The terms «tobacco farmers» and «tobacco producers» are used synonymously. As a general rule, one can say that at the end of the 1980's, the number of tobacco producers had fallen compared with the number of producers active in this industry a decade before. According to the Ontario flue-cured tobacco growers'marketing board (OFCTGMB), there were 4,000 producers in Ontario at the beginning of 1970; by 1988 there were less than 1,500. (OFCTGMB 1988) Since the mid-eighties a large percentage of the producers have experienced serious financial problems due mainly to the decline on the return of their investment. These problems have been caused by several factors. According to the tobacco growing industry, the two main factors are government policies (mainly taxation policies) and the anti-tobacco groups. Both would be responsible for the decline of consumption of tobacco products.

If one wishes to make an accurate assessment of the current situation of the tobacco producers, one would have to look at a full range of statistics which compare their current situation with the one prevailing in the 1970's. The first data to consider are the number of tobacco producers and the volume produced. As mentioned above, there were 4,500 tobacco growers in Ontario in 1960 (House Of Commons, Debates 1960, 3032), in 1967; 4,000 producers, in 1974; 2,400 and 1,500 a decade later. Agriculture Canada and the OFCTGMB estimate that more than 500 will leave the industry annually until the rationalization - the adjustment of production to current demand - is completed. (Agriculture Canada 1987)¹

The volume produced also clearly reflects the decline of the tobacco growing industry in Canada. According to the OFCTGMB, the target volume set in 1986 was forty two percent less than the average volume produced between 1979 and 1983. (Rutherford and Christie 1987, 2) 1981 was the record year of the 1980's with a marketed production of 219,887,246 pounds. This record was only broken twice

1 The figures on the number of producers is slightly different from one source to the other. These differences may be explained by the inclusion within the data of more than one type of tobacco producer, such as individual, family and syndicate farm and the number of quota owners. The latter may involve more than one producer. But notwithstanding these small differences, all sources agree on average loss of 400 to 600 producers annually since 1982. (OFCTGMB, 1988)

before in 1973 and 1974 with a marketed production which exceeded 230,000,000 pounds. (OFCTGMB, A.R. 1987) The number of acres cultivated also shows the changes in the production. According to Statistics Canada 53,980 acres were cultivated in 1981 and only 39,331 in 1985. (Statistic Canada 1987, 22-003)

The rapid decline of the industry finds an echo in every part of the tobacco growing industry. As we suggested before, where it is most visible it is on the number of producers active in tobacco farming. The fall of the volume produced, the acres cultivated, and the number of producers constitute but one aspect of the problem. In order to understand why so many producers were forced to leave tobacco farming, one also needs to consider the fall in the return of investment in tobacco farming since 1982. This last figure will shed more light on what is considered as the disadvantage of producers in their negotiations with the manufacturers. One of the former directors of the OFCTGMB explained the situation to the House of Commons Sub-Committee created to study the tobacco growing industry in 1986: «this situation leaves the producer on horns of a dilemma. He is producing only half the tobacco he was five years ago. His capital costs are almost 50% of this total cost of production and they remain the same. As a result the value of a farmer's assets have dropped by 70%». (BOZEK 1986, 15) One should also note that the

average price of a kilogram of tobacco has not declined as Statistic Canada confirmed (Statistics Canada 1987, 22 003), but the net return of tobacco farming has dropped due to the price paid for the pound (or kilo) which was not adjusted to the rate of inflation. This price is settled through an agreement between the producers, i.e. the marketing board of each province and the Manufacturers Council. This agreement is negotiated and established through what is known as the «guaranteed price». This is the price - the minimum price - which the producers should get for their tobacco during the sale of their crop at the annual auction. The guaranteed price however is not necessarily the price which will be paid to the producers. Factors such as volume and demand and other factors such as the willingness of the producers to accept or refuse this price, will influence the transaction. (Landersele, letter February 10, 1988) According to the OFCTGMB, the difference between the price paid and the cost of production in difference 1985 and 1986, was thirty five cents per pound. This loss would result from the difference between the rate of inflation, the rise in the cost of production since 1981 and the price paid per pound. According to a study ordered by the OFCTGMB from Touche Ross and partners, in 1985, the producers lost twenty cents per pound as a result of the difference between their cost of production and what they actually received. (Touche Ross & partners 1985) As well as the fall in return on their investment, the producers also

experienced an excess of production due to the decline of demand over the last few years. Traditionnally, such excesses of production were bought either by the manufacturers or the Board. These surpluses constituted approximately forty percent of the total production. Because of its large debt, the Board has decided not to buy these production surpluses and the manufacturers have been reluctant to do so.

Do these figures mean that all tobacco growers were facing bankruptcy at the end of the 1980's? No. To give a more accurate picture of tobacco growers, one also needs to consider the fact that tobacco farming remains the most profitable type of farming in North America. The Ministry of Agriculture of Ontario estimated that, in 1984, the net return of one acre of tobacco was of \$3,400. The second most lucrative production was tomatoes with the small return of \$329 per acre. (Glover 1987, 9)

The second element to consider are the large disparities in revenue between the tobacco growers. During the Sub-Committee hearings several speakers made reference to these disparities which related to three categories of tobacco producers: the first mostly composed of new producers who are heavily indebted; the second

composed of medium farms; and last, large scale tobacco farms which have profited from the changes in the industry and could afford to buy quotas. During the National Marketing Board hearings, manufacturers also expressed their conviction that not all producers were suffering from the loss of return on their investment. (CTMC, 1987)

Nevertheless, the falling rate of return to tobacco farming helps to explain the current pressures for state action. Before we present these demands and study the organizations which have expressed these interests, it is essential to mention that the tobacco growing industry suffers from some of the same problems that most farming has experienced in Canada and in North America: a trend towards monoculture and a growing dependency of the farmers on this mode of production and its buyers. As Douglas Glover reminds us, the change to a monoculture in the case of tobacco took place in the 1950's and can be explained by several factors: «a combination of the market forces, international competition, need for new technology and more frequent government intervention for more and better quality tobacco». (Glover 1987, 13) Glover adds that this growing dependency was reinforced with the last technological revolution in which farmers invested large amounts of money (borrowed). Today very few tobacco farmers grow more than one crop on their land. As we will see

in greater detail when looking at the farmers' demands, there are very few alternatives. According to a study conducted for the Tobacco Area Industrial Strategy Study Committee, an association created to look at other economic alternatives for the regions (TAISS), in 1986, ninety seven percent of the farmers said that three quarters of the family income depended on tobacco. Few tobacco farmers, moreover possess the skills needed to turn to something else. In 1985, only one out of five producers had completed high school and the majority had been active in the culture for more than twenty three years. Finally, only one fifth of the producers who say they could leave tobacco farming believed they could earn enough elsewhere. (TAISS, 1987) There is, of course, the option of buying someone else's quota in order to keep up the current level of production. But here again the solution is costly and is in contradiction with policies designed to encourage producers to leave the industry. There is always the alternative crop solution but the problems here will be one of cash to cover the cost of new equipment. The farmers are also skeptical about the net return of these crops. (TAISS 1987, 3).

Over the years tobacco growers have created organizations to defend their interests. Organizations are a key element of our theory. As mentioned before, the structure of the organization was said to be one of the three determinants of power.

A well-structured and quite powerful organization was created in Ontario to defend producer interests during the 1950's. A similar but less developed organization was also created in Quebec.

ONTARIO

The most important organization that one has to study regarding tobacco growing is the Ontario Flue-Cured Tobacco Growers Marketing Board. (OFCTGMB) It is somehow awkward to speak about an «interest group» in this case because, as its name indicates, the organization is primarily a marketing board. At the same time, as its history shows, it has acted as the main representative of growers' interests. The board is important not only because, by the 1980's, it represented more than ninety eight percent of tobacco growers in Ontario (OFCTGMB, submission 1988), but also because it has been very active in defending growers' interests. It has helped growers in their search for new markets and in their fight against Bill C-51. Beyond that, the Board is the sole body which controls the production and marketing of tobacco leaves. In recent years, the Board has been instrumental in making the producers fully aware of the political battles and drawing them into the fight against the anti-tobacco movement.

By studying the history of the Board, we can easily see the close link that the Board has with the producers as well as its complex interactions with the manufacturers. As will be shown later, the interactions between those last two have been characterized at times by intense cooperation and other times by harsh confrontation. The growers' «dependency» on the manufacturers, however, has led to more cooperation, especially since the mid-eighties.

The Board was created in the 1930's by the union of the Growers Association of Simcoe and Southern Ontario, and the Growers Cooperative Association of Tillsonburg. As G.F. Perkin notes, the birth of the Board might be explained by the economic depression of the 1930's. (Perkin 1962). In 1931, the price of tobacco dropped by thirty two cents and, in 1932, by twenty one cents. This was followed by a rapid decline of the manufacturers' demand for tobacco leaves, combined with a substantial increase of production. This gave the manufacturers more latitude in their transactions with growers. Nonetheless, these phenomena had the effect of reducing production. This was possible with the help of the Ontario government which agreed to subsidize production. Two years later, one of the manufacturers refused to sign its annual agreement with the growers. This refusal led to the union of the growers. The Board was to be licensed by the Canada Natural Products

Marketing Act but the decision was judged unconstitutional in 1936. In response to this judgment, the Board became a voluntary association of growers and manufacturers. This arrangement prevailed until 1951. According to some growers however the voluntary association favored the manufacturers interests. Growing disagreement was heard and a new board was created in 1957. The newly-created board, the OFCTGMB, held the same powers as it still does today.

The 1950's was marked by several disagreements between the growers and the manufacturers. These controversies concerned the quality of tobacco, its minimum price, and the quantities needed by the manufacturers. On a few occasions, the producers even requested the help of the Government to help settle the annual agreement with the manufacturers, as was the case in 1961-62 and 1985-86. (OFCTGMB A.R. 1987, 21) We can sum up the role of the Board by saying that it oversees the making and the implementation of all policies concerning the production of tobacco in Ontario (OFCTGMB, letter March 1988). The Board determines the regulations for obtaining production permits and the sale of tobacco. It supervises the quota system, the purchase and sales of tobacco at the auction.

The Board is also the producers' representative as well as the official negotiator with the manufacturers. Once a year or every second year - depending on the previous agreement - the Board negotiates with the Manufacturers Council (CTMC) the volume and the minimum price for the subsequent production period. Beyond these services to the producers, the Board is mandated to exploit new markets, and to extend the existing ones. Each year, delegates visit different countries and attend overseas meetings to promote exports. The Board is also in close contact with government organizations, mainly the federal and provincial departments of agriculture whose mandates make them more inclined to take up the growers' concerns. Finally the Board was the main instigator of the two associations created in 1986, the CCTAM and the TAISS. Both were created to help the OFCTGMB in its fight against the decline of tobacco growing. The OFCTGMB was also behind the committee and other initiatives taken by the federal and the provincial Government after 1985. As we can see, the Board is very active and it would be a mistake to see it as simply a marketing board. Its role in relation to the producers is very wide-ranging. For its services as a Board, it withholds a certain amount on each pound of tobacco marketed at the auction. (For example, in 1987 the producers had to pay three cents per pound of tobacco auctioned and sold). (IBID) It appears, however that the Board's operating costs have grown faster than its revenues, due

in part to the drop of marketed volumes. The decline in tobacco production has had serious effects. To counter these effects as mentioned before two organizations were created to help the existing organizations pressure the state for more resources for the producers and the region.

In Ontario, tobacco is grown mainly in six counties; Elgin, Oxford, Norfolk, Waterloo, Simcoe, Renfrew and Northumberland. Because of its large impact on local economy, the decline of tobacco growing industry led to the creation of the Committee of Concerned Tobacco Area Municipalities (CCTAM) and the Tobacco Area/Industrial strategy study (TAISS). The formation of both organizations was actively encouraged by the OFCTGMB which requested the help of local elites and local entrepreneurs to help in the fight against the anti-tobacco bills and in its negotiations with the government.

The CCTAM brought together representatives from twenty municipalities, such as local mayors, or people involved in local politics. Its objectives in 1986 were to bring to the attention of government the problems that the region was faced with, and to find solutions to these problems. In 1987, the CCTAM identified itself as an organization involved in the lobbying of government representatives in order to curb the effect of government policies in the region and to obtain its support. Another objective was to exercise some pressure on governments to attract industries to the areas which were suffering from the decline of the tobacco industry i.e. to promote economic diversification.

In 1986-87, the group was quite active in the pursuit of its objectives despite its limited financial resources. It presented several briefs to ministers, and to committees created during this period. It arranged meetings with several political elites, such as the ministers of finance and agriculture at both levels of government. It has also participated in the offensive against Bill C-51 by sending letters and by having representatives appear as witnesses to the legislative committee hearings.

The second organization, the TAISS, was also formed in 1986, here again by local citizens in the tobacco growing regions. The objective and the structure of this group, however, was very different from those of the CCTAM. First, it is composed only of members of provincial legislature and federal MPs.. Second, its aim was to study the industrial possibilities of the region and to present solutions to the current decline of the tobacco industry. (TAISS, letter to the author 1987)

The idea originated at a meeting of the Town Council of Oxford, where it was decided to request the help of both provincial and federal departments of industrial development and technology to take action to curb the adverse effects of the decline of tobacco production on the producers but also on the local economy. As G.H. Gibson, chairman of the committee, proposed: «the aim of establishing the Committee was that we firmly believe that when addressing senior levels of government...you must deal with facts and not emotions». (IBID) The work of the group was facilitated by the fact that two of their regional representatives were Mr. John Wise, Federal Minister of Agriculture, and Mr. Robert Nixon, Treasurer of the Province of Ontario. The TAISS has participated in the offensive against anti-tobacco bills through briefs, meetings, publications and presentations. The TAISS has also tabled three reports on the economic situation of the producers, the retailers, and the

industries of the region. Several recommendations, intended to ease the decline of tobacco growing industry, were presented by the TAISS.

QUEBEC

Today only a small percentage of tobacco leaves is grown in Quebec which is very different from the situation in the nineteenth century. Several reasons account for this change, the most important are climate and the weakness of the organization representing tobacco producers. As we shall argue, it is only recently that the Quebec Board was endowed with powers equivalent to those of its Ontario counterpart. A brief history of tobacco growing in Quebec and the Quebec Tobacco Board will serve to bring out these differences.

At the beginning of the twentieth century, the success of flue-cured tobacco farming in Ontario encouraged the farmers and the Quebec government to invest in this culture. The subsidies given by the Quebec government to the research in this domain, however, raised several controversies at the federal level and with the Ontario farmers. The federal government claimed that research in agriculture was

its prerogative. The controversy was also fuelled by the Ontario tobacco producers who were afraid of losing their share of this new lucrative farming activity.

From 1930 to the beginning of the 1960's, the number of farms producing tobacco and the total volume produced in Quebec, as it is the case in Ontario, did not stop growing. And at the end of the 1980's, the situation in Quebec was quite similar to that of Ontario. The province of Quebec is the second largest tobacco producer in Canada. The volume of production in Quebec however has remained much lower than that of Ontario. In 1988, the Quebec production was of 10,992,544 pounds compared to 133,416,483 pounds produced in Ontario. (OFCTGMB A.R. 1988) In the first decade of the twentieth century however, Quebec's total production was three or four times larger than Ontario's, but for several reasons Ontario had surpassed Quebec tobacco production.

Today, due to climatic conditions, the return per acre in Quebec is much lower than that of Ontario. The Quebec Board evaluates the difference as 400 to 500 pounds per acre. (QFCTPB 1986) But, in spite of those differences and with the

help of the provincial government, Quebec's producers were able to maintain their production, which peaked in 1966.

The governments have been instrumental in this development by subsidizing research and market development. Compared to Ontario, however, the subsequent decline in Quebec was more rapid and drastic. It is estimated that in 1960 there were 1,600 producers of pipe and cigar tobacco in Quebec (House Of Commons, Debates, 1960); now there are only one hundred and twenty-five growers active in tobacco production in Quebec.

Since 1982, the Quebec producers have been faced with the same problems as their Ontario counterparts. Between 1982 and 1987, twenty percent of the producers have abandoned the culture of tobacco. Of those who remained, it appears that twenty-five percent cannot pay their debts and ten percent of all producers will have to abandon the industry in coming years. (QFCTPB 1986) Since 1982, the Quebec producers also experienced an important drop in the return on their investment. This has been partly due to general factors affecting the industry, but the Quebec gro-

wers' situation was adversely affected by climatic factors which several times made impossible the delivery of the expected volume.

The Quebec Board was created in 1958. As was the case in Ontario, several tobacco producers associations existed before the creation of the Quebec Board. For example, a first cooperative was created in 1913 in St-Cesaire, another in Montreal in 1929. In 1958, however, the Board regrouped over ninety seven percent of the Quebec producers, then concentrated in the Lanaudière region. Until 1983, the Board did not possess the powers enjoyed by the Ontario Board. For example, it was only in 1983 that Quebec producers had quotas imposed on their production. It was then that the Board was empowered to impose quotas and take charge of the marketing of tobacco. Before, the producers would sell directly to the manufacturers or other buyers without the intervention of intermediaries. This system was called the «whole crop sale» as opposed to the auction system in Ontario. The changes in the industry and the manufacturers requests, however, forced producers to adopt a more rigid system. Today the Board's role is «to coordinate and to improve the marketing of flue-cured tobacco in Quebec, taking into consideration the legitimate interests of those that are engaged in these transaction». (QFCTPB 1987) As with the OFCTGMB, the Quebec Board negotiates the annual agreement with the manu-

facturers. Apart from its commercial role, the Board has also elaborated briefs and studies on tobacco production in Quebec and the economic impact of this industry. In addition, the Quebec Board has participated in the campaign against the two anti-tobacco bills by sending briefs, communiqués, and organizing meetings with legislators. In Quebec, in contrast to the situation in Ontario, no other groups were created to support the growers struggle. The Lanaudiere region and especially Joliette town, however, did collaborate with the growers to show the importance of tobacco growing on the local economy.

2.4 The Manufacturers

The second most important category of actors in the tobacco industry is the manufacturers. Over the years the manufacturers have dominated the industry through their enormous resources and their strong organization. They have also used those resources to protect the industry from growing state intrusion and its appetite for more taxes, as well as to convince other organizations of the overall value of the industry.

Through their interactions with state representatives, the manufacturers succeeded, until the end of the 1980's, in limiting tax increases. The manufacturers also succeeded in «toning down» the discourse of the new anti-tobacco social movement through publications and interactions with top state representatives and business partners. In recent years, however, the decline in consumption has meant increasing competition among manufacturers.

The term «manufacturer» refers to the companies which produce final tobacco products, such as cigarettes, cigars and pipe tobacco, and roll-your own cigarette tobacco. At the end of the 1980, there were only three manufacturers. (Before 1986 there were four, but that year, Rothmans Pall Mall Limited and Bensons and Hedges merged their operations.) The three manufacturers are: Rothmans and Benson and Hedges, Imasco, and RJR McDonald Inc.. These three manufacturers are united under the Canadian Tobacco Manufacturers Council (CTMC). They provide over ninety five percent of the manufactured tobacco in Canada. And they monopolize more than ninety nine percent of the sale of tobacco products in Canada. (Rutherford and Christie 1987) These three companies are all branch-plants of large multinational corporations or related to one of the world's leading conglomerates. Thus, Rothmans Benson & Edges related to Philip Morris LTD which owns forty percent

of its assets. Imasco is part of BAT Industry PLC which holds forty percent of the outstanding common share of the company. For its parts, RJR McDonald Inc. is a subsidiary of R.J. Reynolds Tobacco International Inc., a subsidiary of RJR Nabisco Inc. (Who's Who in Canadian business 1987) These three multinational corporations dominate the American tobacco market: Reynold and Philip Morris each take thirty percent of that market and Brown and Williamson which is a subsidiary of BAT Industries (England) - the forty-ninth largest company in the world and the first world producer of tobacco products - account for fourteen percent of the American market. (Overton 1981) It is also interesting to note that RJR Nabisco Inc is a subsidiary of Nabisco Brands one of the leading giants of the world food business.

These past years, the decline in the sale of cigarettes has meant an increase in the competition between the Canadian tobacco manufacturers. As has been well documented, since 1983, the sale of cigarettes has shrunk even if the annual consumption of smokers has increased steadily since 1950. This decline in the sales is due mainly to the diminishing number of smokers. In 1966 «68% of men and 40 percent of women aged 15 and older were cigarette smokers. By 1981, the federal department of Health and Welfare estimated that these proportions had fallen to 42 percent of men and 37 percent of women». (Collishaw 1987) Overall, in 1987, total

cigarette consumption was 60 billions per year, 5.7 percent less than in 1985 (Rutherford and Christie 1987) According to tobacco manufacturers, the sales of cigarettes shrank by another 5.7 percent in 1989.

The manufacturers, however, have been aware for a while that the market would not expand in the future and they were prepared for the shrinking of cigarette consumption. Faced with shrinking demand, manufacturers are now trying to gain a larger share of the market. Restricted by an advertising and promotional code (see below), the manufacturers are using new strategies to attract smokers (new and old) to their brands. For instance, new types of cigarettes such as the Tempo (1986) or the Black Cat (1988) have been launched. Smaller packages of fifteen cigarettes are being manufactured in order to attract younger smokers. The manufacturers have even engaged in a battle over the price of a carton of cigarettes which ends up being very costly for all manufacturers.

Competition between the manufacturers has also meant more direct involvement in the distribution of tobacco products. If we take Imasco for example, in 1987, it purchased thirty six new stores of United Store and extended its outlets to hotels,

airports, commercial buildings and others locations. (Imasco A.R. 1987) Imasco has also renovated several outlets in concert with the Woolco/Woolworth stores. All these changes aim at attracting more people to Imperial tobacco brands. The big winner in this competition to attract smokers is undoubtedly Imasco. This manufacturer has increased progressively its share of the market since 1970. An analysis of manufacturers Annual Reports and business studies reveals the importance of Imasco in the cigarette markets and its aggressiveness in other fields. Since 1982, Imasco has seen its share of the market increase by half a percentage to one point each year, to finish at 56.2 percent in 1988 (Imasco A.R. 1988). In 1987, the second largest manufacturer, measured by sales, was Rothmans Benson and Hedges with thirty two percent of the market. The remaining share of the cigarette market went to RJR McDonald products.

For Imasco, the increase in its market share has meant an increase in its revenues drawn from the sales of tobacco. In 1987, for the second time since 1982, however, Imasco saw its profits decrease because of the reduction in the sales-price of carton of cigarettes. Nevertheless, in the 1988 Annual Report, Imasco indicated that it expected an improvement of all its operations for 1989. The case of Imasco is also interesting to study because it shows that manufacturers have not experienced

major setbacks caused by the decline in the sale of tobacco. It also reveals that manufacturers were prepared for that decline. At the beginning of the 1970's, they choose to diversify their operations. In 1988, more than thirty seven percent of Imasco's operating earnings came from the tobacco business (Imasco A.R. 1988), while the rest came from a plethora of activities, such as Shoppers Drug Mart and Pharmaprix, People Drug Stores, Hardee Food System and Burger Chef and Canada Trust.

Since 1970 Imasco has shown an enthusiasm for diversification as well as vertical and horizontal integration. Paradoxically, these changes started to be implemented in 1970, a record year in the sales of Imperial Tobacco products. In 1970, Imperial Tobacco sales increased by sixteen percent. (Imasco A.R. 1972) The reader should know, however, that this increase was the result of the launching of the «Casino Game»: a consumer game which would be severely criticized and withdrawn a few months after. We should also add that the beginning of the 1970's also corresponded to the first government attempts to regulate the advertising and promotion activities of tobacco manufacturers. It is these regulations that prompted manufacturers to start their diversification. With the millions of dollars on advertising they have saved, they could start their diversification plan. (Overton 1981) The

change of Imperial Tobacco to Imasco in 1970 meant the creation of three new divisions: tobacco products, food and United Cigar Stores. Sixteen years later, Imasco added a pharmaceutical component to its operations. In 1987, Imasco entered the financial service field by acquiring a large share of Trustco Mortgage Company. The other manufacturers have also made major changes in their operations. Some, such as RBH preferred to consolidate its operation rather than diversify. As a general trend, however, one can see that most of the tobacco manufacturers, Canadian or American, have chosen the path of diversification and have decided to enter into new types of economic activities.

It is also interesting to examine the manufacturers' profits and the value of their shares to see the current situation of the three Canadian manufacturers. Such an examination shows that tobacco manufacturers' profits have not suffered excessively from the current decline of the tobacco industry. As Imasco's annual report indicates «Imperial Tobacco's performance was strong in 1988, revenues of \$2.0 billion were up 5% over 1987 and operation earnings of \$308,018 increase 10% over the preceding year». (Imasco A.R. 1988, 8) The manufacturers' considerable economic resources are matched by the strength of their organization which we shall now examine.

The Manufacturers' Organization

As we have suggested, organizations are «the key collective unit of society». Through their interactions with other organizations, they seek to control more decisions and more resources and, as we proposed earlier, the better structured the organization, the better equipped it is for the power struggle. As we shall see the manufacturers have known how to take advantage of their organization.

The CTMC is the organization which represents the three Canadian manufacturers. Its aim is to «defend the political and economic interests of its members when needed» (CTMC, letter to the author, January 1988). In its official publication the CTMC suggests that its role is to

«REPRESENT the industry on all matters of a non-competitive nature of common interest to the member companies. This encompasses cooperation with governments and others on the smoking and health question; on taxation; on intra-industry initiatives towards self-regulation; on definition of product standards; on exchange of statistical information; on support for research, both medical and agricultural; on liaison with the tobacco growing industry; on programs for the marketing of Canadian leaf tobacco abroad and on international industry relations». (CTMC)

As we can see this is a very large mandate which has allowed the CTCM to become involved in all tobacco related matters. A spokesperson for the Council insisted on the fact that the Council was more than a lobbying group: it was also a forum for extensive exchange of information on the tobacco industry and health issues. (CTMC, Interview March 1, 1987)

In 1989, ten people were employed full time for the Council. The council structure included a president at that time, Mr. William Neville, a vice-president, a chief of communications, a documentalist, an administrative supervisor, a part-time legal counsellor, a government relations counsellor, and three clerks. (CTMC, Interview Septembre 1989) The members on the board of directors are chosen from the board of directors of the three manufacturers. The Chairman of that Board is selected in rotation from the manufacturers' board of directors.

The Council, first organized in 1963 as an ad hoc committee, was officially formed in 1982. Its early days correspond to the first imposition of government regulations on the industry. The structure of the council became permanent in 1969. At that time the Council published a brief on the tobacco industry and on the effect

of tobacco smoking for the use of the Isabelle Commission. During the 1970's, the Council became less visible and it is only since the 1980's that it has become publicly involved in the various tobacco controversies. Nonetheless, as some state representatives mentioned in interviews, in the 1970's, it was not unusual to see members of the CTMC in contact with top Canadian bureaucrats and legislators. (Paul Gray interview 1988) In the 1980's the Council became the official representative of the industry. Using its enormous resources, the Council has published an annual report on the state of the industry, several briefs on the industry and on other questions. It has produced several studies, booklets, and briefs on the economic impact of the industry, the effect of government taxation, the argument against government regulation of the industry etc.. More importantly, the data produced by the Council are those used by several state organizations involved in the tobacco related matters.

It is mainly since 1986, the year of the presentation of bill C-204, that the Council has become especially visible. It has multiplied its contacts with other members of the industry, and other organizations, like the media and advertising agencies. The Council has published several briefs and has helped to organize meetings with the other members of the industry and with business partners. As this

dissertation will show in greater detail below, the CTMC has been in close contact with state organizations and state representatives for many years. Those interactions were intensified after 1986. Then, manufacturers sought to convince state organizations, other organizations as well as the general public of the overall profitability of the tobacco industry and of the danger of «over regulating» it. And as we show in greater detail later, the manufacturers also tried to create a strong coalition against Bill C-51 and C-204. They succeeded in convincing their business partners and certain other groups like La Chambre de Commerce de Montréal to pool resources in order to fend off anti-tobacco forces. In spite of this, the latter won the battle.

2.5 Other Members of The Tobacco Industry

The tobacco industry also encompasses three other actors: leaf processors, plant workers, and distributors and retailers of tobacco products. Over the years, some of these actors, mainly leaf processors and distributors, have lost ground in relation to the manufacturers who have decided to increase their control over the different spheres of the industry. The workers, for their part, have also suffered from the decline of the industry: for instance, the number of workers employed have declined significantly. Yet, it appears that interaction between manufacturers and workers

have not been adversely affected by the decline; in fact, more solidarity and cooperation, has been created.

Leaf Processing

By «leaf processing» we mean the process whereby «the tobacco lameter is separated from the tobacco stem and these are redried and put into storage». (House of Commons, subcommittee on the tobacco-Growing Industry 1987, 5:14) In the past, most of these operations were performed by independent companies such as F.H. Jones tobacco of Joliette, but lately, we have witnessed a growing interest on the part of the manufacturers in taking over these operations. The independant companies used to process the tobacco leaves for the manufacturers but were able to maintain a certain autonomy. In the case of F.H. Jones, Imperial Tobacco refused to renew its contract in 1987. (Jones letter 1987) In 1989, there were nine processing plants in Ontario, of which three belonged directly to the manufacturers (OFCTGMB «gold document»), and there were two processing plants in Quebec.

Workers In Manufacturing Plants

In 1988 there were approximately 5,000 employees who worked in the manufacturing plants. They were members of the Bakery, Confectionary and Tobacco Workers International Union. Union membership has fallen by more than 1,500 since 1980. (BCTWIU, letter June 1988) Over the years tobacco workers on several occasions have expressed their concerns and their solidarity with the other members of the industry. Since the mid-sixties, the union has been very active in defending the tobacco industry. Nevertheless, because the industry is divided both at the regional level and the sectoral level -- while farming is mainly concentrated in Ontario, six of the nine manufacturing plants are located in Quebec -- solidarity among the members has not been very high. Regional divisions have also created a double structure of relations between members of the industry. Thus, it is mainly to the Quebec government that plant workers have addressed their requests. Over the years, they have participated in several demonstrations against government taxation policies and government plans to regulate the industry. They sent briefs and petitions. With others members of the industry, they have published literature on the industry and on its economic impact. The main bulk of producers, however, are

located in Ontario and accordingly, they have addressed their concerns to the Ontario government.

Judging from our exchange with the BCTWIU representative, it appears that tobacco workers were satisfied with their relations with their employers: the three manufacturers. To respond to the decline in tobacco consumption, at the request of the union, manufacturers have presented progressive offers to their employees, like contracts which allow workers to leave the industry before sixty five, and even fifty five without substantial loss to their pension plans. These good relations have been favorable to manufacturers who have succeeded in mobilizing workers in their battle against Bills C-204 and C-51.

Distributors and retailers

Under this last heading, we find the businesses which distribute and sell tobacco products. The first thing to notice is the growing importance of the manufacturers to these operations. The manufacturers, through their outlets, such as UCS or Dunhill, have acquired more control over the distribution and the sale of their products. As we mentioned earlier, in the 1980's, Imasco opened several new outlets

in supermarkets and retailing stores. The distributors and the retailers are united under various associations such as the National Association of Tobacco and Confectionery Distributors and the Canadian Council of Grocery Distributors. According to the former, in 1987, there were over two hundreds and fifty enterprises and 50,000 outlets including drug stores and corner-stores which sold tobacco products in Canada. The NATCD claimed to represent ninety percent of these distributors. (NATCD Brief to the Legislative Committee, 1987) In addition, there were 16,000 independent retailers operating in Canada. As in the case of the CTMC, the Association has become more visible since the middle of the eighties. It has participated in the publication of information on the tobacco industry. It sent briefs to the legislative committee and distributed pamphlets against the two anti-smoking bills. Moreover, in 1988, the retailers association started a campaign to assure the enforcement of the law which prohibits the sale of tobacco to youngsters under sixteen years of age. The public relations campaign aimed at giving a new credibility to tobacco retailers.

CHAPTER 3

INTERORGANIZATIONAL INTERACTIONS

The purpose of chapter two was twofold: to give a sense of the differential resources available to the industry and the organizational strengths of its actors. Thus far we have presented the tobacco industry as a lucrative industry whose actors have had access to enormous financial, technical, and human resources: actors who know how to make use of «organization». Chapter two was also designed to give a sense of the changing fortunes and concerns affecting actors of the industry.

The 1980's have brought important changes to the tobacco industry. Anti-smoking and Health and Welfare public education campaigns started producing results by 1983, which in turn meant a decrease in the demand for tobacco leaves. Faced with this decline, the tobacco industry pressured the state to keep or to receive more resources. As this chapter on the interactions between the state and the industry reveals, if members of the tobacco industry did not receive all that they requested, they still have managed to find «sympathetic ears» in the state. Yet, throughout the

eighties, the state was sometimes the partner of the industry, sometimes the referee between members of the industry, occasionally a provider of subsidies and funds, a regulator of the manufacturing and the marketing of tobacco products. Those interventions were always the fruit of negotiations between the state and members of the industry representatives. This suggests the importance of organization interactions over public policy. Yet, as it is argued below, the tobacco industry succeeded in keeping or adding resources through the state assistance policies and taxation devices. The industry also succeeded in avoiding stricter norms.

This chapter is divided into four sections which expose the complex interactions between members of the tobacco industry and state organizations. Firstly, we look at the previous attempt to regulate the sale and the marketing of tobacco products and its failure which is an indication of the strength of the tobacco industry and the initial weakness of the anti-tobacco forces. This section also examines the Isabelle Commission and the role played by the manufacturers in that debate. Secondly, we look at taxation policies, a longstanding issue between the tobacco industry and state organizations. This section suggests that Finance ministers have had a complex relation to the industry. The industry is a ready source of «sin tax» revenue for Finance ministers concerned to limit (or reduce) the public deficit. There is, how-

ever, a delicate balance to strike if tax increases are not to kill such a handy «cash cow». This chapter also provides an overview of state expenditures through a study of the different types of assistance given to the industry. Here it can be seen that the Department of Agriculture also has an interest in the industry through its concern with tobacco growers. Finally, we examine the abortive attempt to set up a national marketing board which illustrates the tensions between producers and manufacturers and the superior strength of the latter.

3.1 Regulating the Industry; The Sale and the Marketing of Tobacco Products

According to Nicolas Baxter-Moore (1987), regulation represents an increase of state intrusiveness within a policy domain. Regulations, whether norms or bans, «usually backed by penalties» are costly for an industry because they can mean lower sales and lower revenues. This explains the actors' zeal in fighting government intentions to regulate tobacco consumption or advertising. In this they succeeded, at least until 1987.

In several respects, the attitude of the state toward the industry can be considered as «laissez-faire». This becomes more evident when one looks at the produc-

tion of the tobacco leaves, the making of tobacco products, and its marketing. When one compares the Canadian situation with the one in the United States the limited level of Canadian intervention becomes all the more striking.

The American government regulates most aspects of the tobacco growing industry. As Charles Pugh explains, «the overall purpose of the program is to stabilize prices by restricting supply. To accomplish this, the program functions in an interlocking and interdependent way through four central features: a national marketing quota, individual farm quotas based on production history, price supports, and governmental funding of nonrecourse loans». (Pugh 1981, 14) According to several analysts, the general consequences of this policy have been to keep the price of tobacco artificially high and uncompetitive on the international market (ibid). On several occasions, but mainly during the National Marketing Board controversies, the manufacturers made reference to the idea of «Americanizing the Canadian tobacco industry». In Canada, as it was shown earlier, the quotas, the volumes of production and the price of tobacco leaves result from the annual agreement between the Producers' Board and the manufacturers. The practice of voluntary action has also prevailed in the manufacturing and the marketing of tobacco products. Since 1971, however, the manufacturing of cigarette tobacco has been subjected to

norms regarding the level of tar and nicotine. Since then, the manufacturers must report the amount of their sales to Health and Welfare Canada. The other restriction imposed on the industry is on the sale of tobacco products to minors: the 1908, the Tobacco Restraint Act «prohibits selling or giving tobacco products to children under sixteen. (Collishaw, Tobacco and Tobacco Smoke, 1987) Other aspects of the marketing of tobacco products are unregulated and have come to be known as the «voluntary code» of the industry.

The voluntary code deals with different aspects of publicity, promotion and other actions taken by the industry to sell its products. The voluntary code has been in operation for more than seventeen years and reflects the general attitude of government toward the industry that prevailed until 1987. It is essential to describe in more detail the events that led to the adoption of this code and its actual implementation. As one can see, the code came about via an agreement between the manufacturers and the government. At the time, it was National Health and Welfare which introduced legislation to ban all forms of tobacco advertising, a proposal which raised considerable controversies. In the end, a code, elaborated by the industry itself, was adopted. As we shall see in chapter four, however, in the 1980's,

National Health and Welfare was to find partners, like the NSRA and other organizations, who were willing to pressure for regulations.

The Voluntary Code; The Era Of The Tobacco Industry

The end of the 1960's was marked by the presentation of several private bills which aimed at regulating the tobacco industry and the sale of its products. Some M.P.'s¹ became aggressive opponents of the industry and the general «laissez faire» of the government. In 1968, six private bills were deferred to the Permanent House Committee of Health and Welfare. The committee's hearings became to be known as the Isabelle Commission, named after its president, Gaston Isabelle (Liberal M.P. from Hull).

The Commission held twenty eight meetings, received a dozen briefs, and heard over eighty-one witnesses. Its final report in June 1969 exposed its conclusions and strongly pushed for stricter norms on tobacco sales, advertising and consumption. The fifty three pages report clearly expressed the commission's view on the issue:

1 (MP's like Barry Mather, Kenneth Robinson)

«it would beem unrealistic to expect tobacco growers and manufacturers to acknowledge the danger of smoking...but it is important, in recognizing the position that must be taken by tobacco growers and manufacturers, to assert that it is no longer in the public interest to prolong the debate about whether cigarette smoking is a health hazard. Too many potential or current smokers are liable to be misled or given false hope by such debate». (Friedman, 1984, 90)

Its recommendations, as K. Friedman indicated, were straightforward. Those can be summarized under three headings: eliminating the promotion of tobacco products through publicity, coupons, and the distribution of free cigarettes; increasing educational efforts to discourage smoking; and increased efforts to make cigarette less hazardous. (Isabelle Commission 1969) The Isabelle Commission's recommendations did not find immediate echoes in the state. In the 1970 Throne Speech, the Trudeau government made the anti-smoking battle a secondary priority. In 1971, however, the Minister of Health and Welfare, Mr. John Munro presented a bill, Bill C-248, which aimed at «banning all forms of cigarette advertising and limiting the tar and nicotine contents of cigarettes. (Friedman 1983, 71) Munro's determination to curb tobacco advertising was well articulated during the Isabelle Commission. In his presentation to the Commission, he indicated «the evidence of the danger of cigarette smoking is now overwhelming and the magnitude of the health problem very large and increasing». He went on to note that «any effort to

promote the use of cigarettes would be inconsistent with the objective of doing everything possible - short of an outright ban on the sale and use of cigarettes»...«continued sale of the product could only be consistent with this objective if accompanied by an adequate warning of the risks for potential users...». (quoted by Friedman, 1983) As a spokesperson from National Health and Welfare indicated, however, Bill C-248 «did not proceed past the First Reading stage of Parliamentary debate. It died on the Order Paper at the end of the Parliamentary Session and was never reintroduced». (Collishaw, 1987, 8) The bill was neutralized by face-to-face negotiations between the Minister from Health and Welfare, other members of the government and the manufacturers. These negotiations resulted in the adoption of the Voluntary Code. Notice that there was no public debate about the bill nor its «death». Most of the anti-smoking organizations which had expressed their concerns at the Isabelle Commission hearing failed to campaign for the bill and no other state organizations or representatives supported the bill. No member of the government spoke in its favor. Judging from the previous controversy surrounding the CBC's 1969 decision to ban tobacco ads, state representatives were, for most part, indifferent to this issue.

The general aim of the code was to impose some norms and restrictions on the amounts to be spent on advertising and promotion of tobacco products. In 1971, it was agreed that the total amount allowed for the promotion and the advertisement of cigarettes and other tobacco products was to be \$41 million. In 1975, the first agreement was changed, allowing the manufacturers to increase their spending on publicity by seventy-five percent of the inflation rate. In 1986, expenditures on publicity and promotion amount to \$ 79,785,932 million. (CTMC brief, 1986) Apart from the control over spending, the code prohibited advertisement of tobacco products on radio and TV and on some billboards. Other restrictions dealing with sponsorship, direct mail advertising, and health warnings, tar and nicotine content were also included. The code prevailed until 1989. It would only be in the middle of the 1980's that the anti-smoking organizations and different representatives of National Health and Welfare would succeed in showing that the industry was not respecting its own code. They would also manage to modify the discourse on the economic impact of tobacco arguing that the former was not outweighed by its negative social impact.

3.2 Taxation

Taxation policies have been the source of intense consultations and exchanges between industry representatives and state organizations. Over the years taxation policies have been the most pervasive issue which has divided the industry and governments at both levels. Yet, there has never been an open confrontation. As a general rule, «discussion» prevailed over «confrontation» in the industry's briefs and an ongoing process of exchange and consultation was maintained through the years. This can be interpreted as a sign of the industry's preoccupation with securing access to state representatives as well as sign of the Finance Departments' interest in maintaining this lucrative source of revenues. One can see a pattern in Finance Department decisions regarding the tobacco industry and tobacco taxation. Before the middle of the 1980's, the Finance department was mainly concerned with increasing government' revenues and the tobacco industry was a ready «cash cow» for this purpose. While this concern perdured in the late 1980's, the growing deficit and the rising cost of government programs, like the health care program, enhanced Finance's concern to contain expenditures. At this point, Finance may have been more inclined to listen to Health and Welfare arguments on the effect of smoking

on rising health care costs. Yet, our study reveals that until the creation of the anti-tobacco social movement of the 1980's, the industry was able to restrain the state's appetite for more taxes. Nevertheless, anti-tobacco pressures acted as a new bases for legitimizing tax increases, within limits consistent with industry survival. Finance' concern to curtail expenditures led to a new debate on the effect of taxes on the tobacco industry. In 1989, the Mulroney government sanctioned the most severe rise in tobacco taxation.

At the end of the 1980's, there were more then six different types of taxes imposed on tobacco. Federal taxes encompass excise duties and taxes, the federal sales tax and duties rights. Provincial taxes included special tax on tobacco and provincial sales tax. (Peat Marwick 1986)

Taxes on tobacco products are very important not only because they yield the federal and provincial governments so much revenue (over \$4.5 billion of dollars in 1987). They have not been uncontroversial, however. Some organizations claim taxation policies have been the major cause of the decline of the tobacco industry while anti-smoking groups claim that federal taxation on tobacco products has not

increased proportionally to other goods, thus giving the industry more latitude. Finally (and this is more recent), some anti-smoking groups claim the revenues drawn from taxation do not cover the social and economic costs of smoking.

According to the industry, taxation policies have been the major cause of the industry's decline. In its 1987 annual report, Imasco argued that excessive taxes were responsible for the closing of a manufacturing plant in Quebec in 1987. (Imasco 1987, 8) Briefs and annual reports from producers' associations follow the same direction, trying establish a causal link between tax increases and the decline of cigarette consumption. (OFCTGMB 1987, 5) The industry's concerns over the increase of government taxation on tobacco products are not recent. A quick look at the House of Commons debates during the 1950's and the 1960's demonstrates that as early as 1959-60 the industry (through M.Ps from tobacco ridings such as J. A McBain) expressed this concern. (House of Commons, Debates, April 4, 1960)

In the eighties, criticisms became more frequent. They were articulated both by the industry and the anti-smoking groups. The anti-smoking groups decried the weak increase of taxation levels while the industry claimed the opposite. According to the

2

PM-1 3½"x4" PHOTOGRAPHIC MICROCOPY TARGET
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anti-tobacco movement, «total federal taxes on tobacco products have (had) to increase by over 20 percent simply to reach the current average level of tobacco and sales taxes put in place by the ten provincial governments» (Tobacco Tax Policy a Health Perspective 1988, 5) One could see the 1989 federal tax increase as a response to this request.

The changes in taxes on tobacco products have been documented by several sources. Each year since 1983, the CTMC has presented a brief to the Federal Finance Minister to show the current level of taxation of tobacco products, its annual increase, and the overall effect of tax increases on industry and government revenues. According to the CTMC, in April 1988, federal taxes represented ninety six cents of the cost of a pack of cigarettes. The provincial government's share of a pack of twenty-five cigarettes ranged from eighty cents (in Yukon) to 170 cents (New-Brunswick). (CTMC Le Tabac Au Canada, 1988) Increase over the previous years are also documented. In the case of Saskatchewan, taxes have increased by 221 percent since 1984 while federal government taxes have increased by eighty one percent. According to the CTMC, total taxes on tobacco represented sixty eight percent of the cost of a pack of cigarettes in 1988. (IBID)

The industry does not claim that there is a proportionate relation between tax increases and cigarette consumption - what is often referred to as an «elasticity relation» which means that when taxes increase, consumption decreases. The industry argues, however, that there is a strong correlation between the level of cigarette consumption and the price of tobacco products, which in turn would reflect the level of taxation. In its 1987 annual brief to the Minister of Finance, the CTMC concluded:

«the punitive levels of taxation already have had a substantial impact on the consumption of tobacco products by Canadians. That decline in consumption has cost jobs, especially in manufacturing and among tobacco growers, and continues - even at current tax levels - to threaten further employment losses in these sectors». (CTMC, brief to the Honorable Michael Wilson 1987, 10)

The department of National Health and Welfare's studies also support the existence of a certain causal link between price and consumption. As Neil Collishaw indicated to the Subcommittee created to study the tobacco growing industry, «In Canada... price changes have explained 92 percent of the variation in tobacco consumption from 1950 to 1982... from 1982 to 1986 the real price increased by 51% and consumption fell by 12.7 percent. The price increases .. were due largely to a series of increases in federal and provincial tobacco taxes. ...Studies of tobacco price and consumption have revealed that we can expect a two to six percent decline

in tobacco consumption for every ten percent increase in the real price». (Collishaw, brief 1987, 8) Thus, there is not a perfect correlation between the level of tax increase and consumption but there clearly is a link between the two. It is precisely this matter that has motivated the industry regularly to present to the Minister of Finance and other members of the cabinet, information and statistics on the matter in an attempt to convince governments to reduce their annual tax increase.

The tobacco industry has presented several arguments against those increases. In its 1987 brief the CTMC proposed that apart from the impact on the industry itself these increases had an impact on potential government revenues: «it is estimated that federal, provincial and territorial governments» lost «\$405 millions in tax revenues over the last 12 months». (CTMC, Tobacco taxation 1987, 6) Another interesting argument presented by the CTMC concerns the effect of tax increases on smokers with low incomes. According to the manufacturers, «individual smokers' habits are not necessarily dependent on their income. The result is that tobacco taxation is often regressive in its social incidence: it absorbs a larger part of the income or expenditure of the poor than of the wealthy». (IBLD) Finally, the CTMC proposed that because the pack of cigarette was included in the «basket» of consumer goods and services it had an affect on the consumer price index and the cost

of living increases in the price of cigarette thus raise the rate of inflation and thus affect expenditure levels in programs linked thereto.

It is difficult to assess the degree of success with which the industry pursued its demands. For example, in 1983, manufacturers did succeed in convincing Marc Lalonde, federal Minister of Finance at the time, to create a Task Force to study alcohol, tobacco tax and adjustment mechanism. As the July 29, 1983 Department of Finance release explained, «the task force is being established in response to industry concerns about the technical operation of the indexing system under which the tax adjustments are computed». (Department of finance 1983, 1) Less than a year later, the Minister of Finance announced a new indexing system to be effective on September 1, 1984: «this increase is expected to be about 5 percent. Under the present system, the tax increases would have been approximately 8 percent for alcoholic beverages and about 17 percent for tobacco products» (ibid). Since the election of the Mulroney government, however, no special task force has been created to study taxation policies on tobacco products and it was this government which in 1989, adopted the most severe increase of tobacco taxation. This increase can be explained as a sign of the state's new aversion to tobacco products as well as a measure designed to cut the deficit.

The final question raised by the taxation issue is the actual effect of these increases on the industry and on manufacturers revenues. As Robert Morrison explained, the tobacco manufacturers usually «take advantage of the enforced changes in the retail price to change their own price». (Morrison 1987) Thus, the manufacturers' net revenues would not suffer from any changes in the taxation level because they would be quick to react to any changes in their potential revenues. For example the October 1989 increase in the cost of a pack of cigarettes was justified by Imperial Tobacco - the first to impose the two point four percent change - as necessary to maintain its current revenues. This increase was announced even when manufacturers were informed of the 5.3 percent drop in the sale of tobacco products in 1989.

As mentioned above, since the mid-eighties the anti-smoking groups have decided to participate in the debate on taxation policies on tobacco products and their effects on consumption and others related matters. More recently, for the first time, a coalition of twelve anti-tobacco groups published a brief on tobacco taxation and submitted it to the Minister of Finance. What was interesting in this submission was the comparison of tobacco taxation with previous level of taxations. The brief demonstrated that federal taxes on tobacco have decreased compared to the level in

the sixties -- a matter kept silent by the industry. According to the coalition «An increase of 3 percent per carton of 200 cigarettes... would restore taxation to the same percentage of the retail price of tobacco as existed in the early 1960s». (A Health Perspective 1988, 15) Other issues were also addressed, such as the difference between federal and provincial taxes, the effects of tobacco taxation on the smokers with smaller revenues and the public support in favour of higher taxes on tobacco products.

3.3 State Support for the Industry

Through the years the state has supported the industry. Two types of assistance have been given technical assistance through the sponsorship of scientific research and export promotion and financial assistance through subsidies. We now look at these type of supports.

The most enduring forms of state intervention into the industry's affairs have been made through its contribution to the development of new types of tobacco and different qualities of tobacco. This contribution has been critical to the development of tobacco production in Canada. Through the requests of producers, both levels of government have been active within these domains. The involvement of the federal government in tobacco research goes back to 1906 when a «tobacco branch was formed in Ottawa to investigate methods of improving leaf quality in order to develop the domestic and export markets.» (Agriculture Canada, Delhi Research Center 1983) Over the years the Federal government has created several research centers. In 1989, there were four research stations in Canada, with the most important in Delhi (Ontario).

The Delhi Research Station (Ontario) was created in 1933 as a substation of the Harrow Station. This center was created to conduct research on the new flue-cured tobacco. In 1989, the total budget for the Delhi station was worth approximately two million dollars a year and involved more than forty persons/years of work. (Ashby interview June 1989) Over the years, the Delhi research center's mandate has not changed, its role is to «solve industry problems» through the search for better quality flue-cured tobacco. (Agriculture Canada, Delhi Research Station, 1983)

It is difficult to evaluate precisely the federal government's involvement in the research and development of tobacco products since 1965. According to figures presented to the House of Commons, from 1965 to 1975 the amounts spent by Agriculture Canada were \$190,000 in 1968, \$158,000 in 1969, \$93,000 in 1970, \$199,000 in 1971, \$99,000 in 1972, \$136,000 in 1973 and \$262,000 in 1974. (Chambre des Communes Débats, 14 juin 1976, 144458)

Apart from these figures, which concern only special projects, other amounts were given for the operational costs of the research stations. The larger sums were

awarded only in the mid-eighties when the government started to inject important sums into existing and new research stations and on new programs. For example, in April 1986, \$5.75 million were given to the experimental farm in l'Assomption, Quebec. The same year \$2.2 million were given in research contracts, \$1.5 million in the research for alternate crops, and \$12.3 million for new markets. (Agriculture Canada, Communiqué, 1987)

The growth of exports of Canadian tobacco leaves has always been a major preoccupation of the industry and a priority for producers. This is easily understandable, considering that exports represent over forty percent of the total production of leaves and exports have decreased over the years due to international competition and the arrival on the international markets of much cheaper tobacco. (OFCTGMB, A.R. 1987) In its annual report of 1985, the OFCTGMB indicated «the Board realizes that export markets are absolutely critical to the survival of Ontario tobacco producers». (OFCTGMB A.R. 1985, 5) Its concerns emerged from the ongoing decline of exports. Since 1981, this decline is evaluated at twenty nine percent of the total exports. (Rutherford, and Christie 1987, 3)

The promotion of exports by the state has taken different forms, whether it meant the participation in a conference, annual fair, seminars, or simple commercial delegations. The promotion of exports has traditionally been the domain of the federal government. Through the Federal departments of Industry, Trade and Commerce, Agriculture, and others, such as External Affairs, the state has supervised, organized or subsidized the sending of delegations to China, Egypt, etc. to promote the sale of Canadian tobacco. Interviews with senior bureaucrats indicate that, in the seventies the federal government was very involved within these missions. Its major role was to facilitate the work of these missions, composed of federal civil servants and members of the industry, by organizing in advance their stay in the foreign country. At the end of the 1970's, however, the federal government decided to withdraw from this field leaving the task to provincial governments. Several reasons can be advanced to account for its withdrawal. The federal government (here the Department of Industry, Trade and Commerce) expressed its intention to concentrate on the promotion of new products and new initiatives. The decline of the industry and the anti-smoking pressures have also contributed to the decision of the federal government to make tobacco a «small P policy» (Gray interview 1988). Thus the last involvement of federal government dates back to 1979-80 when Industry Trade and Commerce participated in a mission to the Pacific Islands. It is

only in 1987 that the federal government would become once again involved with such promotional activities when it help organize an Export Leaf Task Force, consisting of leaf dealers and the OFCTGMB, to service and expand traditional markets. (OFCTGMB A.R. 1987)

The departure of the federal government at the end of the 1970's was soon replaced by the Ontario provincial government. Through the Ontario Ministry of agriculture and food (OMAF), the Ontario government has become the chief partner in the promotion of tobacco exports. Starting at the beginning of the 1980's almost every year the OMAF has sponsored trade mission. The provincial government has been working hand in hand with the OFCTGMB for the organization of these missions but the expenditures have been very low: less than \$10,000 for each mission. We should, however, point out that these figures do not reveal the full value of the government's contribution. Its technical assistance was particularly important in helping organize meetings and arrangements. In addition, one should also note the large variety of countries visited since 1980: Tunisia, Egypt, Jordan, Kuwait, Japan, Hong Kong, Philippines, Thailand, Singapore, Bulgaria, Turkey, etc. (OMAF 1988)

Another type of assistance was given to the industry through subsidies. This mode of intervention is recent and what is striking here is the low level of subsidies relative to the producers' demands. The gap, we shall argue, reflects the relative strength of the producers organizations and the involvement of anti-smoking organizations within these matters. One should not forget, however, that even such modest expenditures reflect the fact that producers found «sympathetic ears» at both levels of government.

The federal government gave direct financial assistance to the producers for the first time in 1986. Such support came after several months of negotiation between producers and the government's Department of Agriculture. Before 1986, interventions were limited to indirect assistance through scientific assistance, tax expenditures, advance payment for crops (1981) or export promotion. In 1986, the federal government agreed to give money to the producers. The program implemented was called the «diversification program» and has come to be known as the REDUX program. Before presenting the different features of this program it is relevant to list the producers' requests addressed in the past to the government. On several occasions since the beginning of the 1980's and the start of the decline of the tobacco industry, the OFCTGMB has addressed its requests to the provincial and the

federal governments. In August 1984, the Board submitted a brief to the Conservative Government entitled «a flue-cured tobacco policy for Canada». At the time the Board requested a «global policy» from the federal government in order to «ensure the long term viability of the flue-cured tobacco industry, and if necessary, the continued agricultural productive use of land no longer required for flue-cured tobacco». (OFCTGMB 1984, 1) The OFCTGMB's submission was transmitted to Prime Minister Mulroney by Mr. John Wise, M.P. for Elgin and later Federal Minister of Agriculture. Apart from providing a description of the current situation of tobacco farming in Canada, the OFCTGMB requested a policy which addressed all features of the tobacco growing industry. They requested more power for the tobacco growers in the form of a national marketing board (to be explored below) as well as financial and economic policies by federal and provincial governments touching all aspects of the tobacco industry and local economy. Other demands were also formulated such as the maintenance in production of the greater number of growers. (ibid)

These demands were reaffirmed in 1985 to the sub-committee created to study the tobacco growing industry. This time, however the requests were more specific. The word was then «rationalization». The tobacco growers had now accepted

the inevitable decline of the industry and had only one goal «orderly rationalization». As they argued, «we must rationalize because we must accept that consumption is decreasing and may continue to do so». (OFCTGMB Tobacco Growers Perspectives, 1986, 4) The demands were divided into short, medium and long term goals. As the Board proposed, the first and immediate goal was to reduce by over forty percent the production of tobacco, to maintain the socio-economic infrastructure of tobacco communities, to develop alternative production, and to help tobacco growers to leave the industry with dignity. According to the Board, these goals would be obtained with the REDUX program, which would give direct transfer payments to the producers to compensate their loss, and to help develop alternative production. The cost of the Board's requests was evaluated at «\$111 million» to be spent over three years. In 1986, the Board proposed that these goals would also best be obtained through the creation of the national marketing board, and an industrial strategy for the tobacco regions.

During the summer of 1986, a special committee was created by the Department of Agriculture, the Tobacco Advisory Committee, to elaborate a program to help tobacco growers. The committee reunited producers, manufacturers and both levels of government. A few months prior to this the federal government had

expressed its intention to help the tobacco growers in its annual budget. The result of these negotiations was the creation of \$33.5 million program - the Tobacco Diversification Program - in spring 1987. The program contained various features: the Tobacco Assistance Program (TAP) funded by the federal and provincial government of Ontario, from which farmers received payment for taking land out of tobacco production; the Alternate Enterprise Initiative program created to assist diversification in the tobacco growing regions of Canada; and the Tobacco Growers' Exit Compensation Program created to assist tobacco producers leaving the industry but not eligible for the TAP.

Obviously, the diversification program did not fully correspond to the growers' demands even if the Board had participated in its elaboration. We can look at the several criticisms levelled against this program to see the difference between the two. The critics expressed a general dissatisfaction with the federal proposal. Some of the spokespersons for the industry or the tobacco growing community complained that they had not been consulted by the federal government. (We should remind the reader here that only the Board and the manufacturers took part in the negotiation.) The harshest criticism, however, came from producers and some previous members of the Board. The main criticisms focussed on the fact that only ten percent of the

requested amounts were given, an amount well below that promised, to tobacco growers since 1984. More importantly several problems were left with no solution and some of the solutions proposed were not realistic. The major disagreements concerned the maximum payment to the producers and the requirement to sell the remainder of the quota on the open market which, according to CCTAM, clearly assumed that the quota could be sold. (CCTAM 1987) Another sore point was the requirement that those to be assisted had produced for the last three years (OFCTGMB letter to Harry Brightwell 1987) and the prohibition on renting the land². Finally some producers believed that the program was created for the big producers and would allow them to buy quotas for a «piece of bread». At the end of 1988, the OFCTGMB confessed its disappointment with the program. But no programs have been created since. This reflects not only the federal government's general commitment to fiscal restraint but also, perhaps, the growing impact of the anti-smoking forces. (See the next chapter)

2 (The reader should notice that this last policy was endorsed by the OFCTGMB.)

3.4 The National Marketing Board

Relations between the producers and the manufacturers have taken different forms since the 1950's. Conflict and agreement centered on control over resources, more precisely the volume of production and the price paid to the producers. The relationship between the manufacturers and the producers may be described as one of mutual dependence: producers depend on manufacturers to buy their products and manufacturers depend on producers to acquire their main resource. It should however be noted that there is no law which prohibits manufacturers from buying their tobacco from other countries. Nonetheless, Canadian smokers' habits do not encourage this situation. In several briefs, the CTMC referred to «the family» to describe its relations with other members of the industry but it appears that in this extended family, some are better placed than others. The manufacturers have no long-term contracts with the producers. The agreement is usually renewed every year and is subject to several environmental factors. Because the manufacturers are the only buyers of the farmers' products, the producers have really no other choice than to sell at the price agreed to during the negotiation. (In Canada the government does not intervene in these negotiations: this is in marked contrast to the United States,

where the government has greater control over volume and the price of tobacco. Here, the only government control is over the quality of tobacco). The manufacturers can buy their tobacco in other countries; yet, the manufacturers have not abused their power over the years. On the contrary, a kind of paternalistic relationship obtained between the two, the manufacturers have helped producers to promote their exports and have not invested in the other markets. These factors would help explain the producers' generally favorable attitudes towards the manufacturers.³

The case of the National Marketing Board well illustrates the types of relations which prevailed in the 1980's between producers and manufacturers. Over the years the producers have struggled for more control over prices, volume, exports and other matter. In the marketing board case the manufacturers took every possible means to fend off its creation. They did not succeed but they did manage to have the producers abandon their objective. Once again, the producers' dependence on the manufacturers had determined the choice of action, and strongly encouraged

3 Some producers have claimed they have been manipulated by the manufacturers who have accused government's taxation policies and the anti-smoking groups urging the reduction of consumption to reduce their demands for tobacco leaves. A very quick look at the statistics allows the reader to see that the decline in domestic cigarettes sales from 1979 to 1985 was 11.4 percent and the sales of flue-cured tobacco leaves for that same period decline by 21.45 percent. (Rutherford and Christie 1987, 12)

producers to cooperate with the manufacturers rather than to oppose them. Here «economic power» remained decisive.

The idea of creating a National Marketing Board is not new. It was suggested several times in the 1970's and was part of several electoral and governmental promises. The creation of such a board, however, was not feasible until a change in the Farm Products Marketing Agencies Act of 1972 which was modified in 1984 after several years of pressure from the OFCTGMB, to include tobacco as a product which could be regulated under supply-management powers. (National Marketing Board Agency, A.R., 1987/88) The advantages of the National Marketing Board are well documented in the different briefs, letters and pamphlets published by the OFCTGMB. In a letter addressed to Maurice Foster, Agricultural Critic of the official opposition and MP for Algoma, the OFCTGMB indicated:

«our purpose in proposing that a national tobacco marketing agency be established is to address the imbalance that exists in the present marketing system for tobacco and to ensure that Canadian tobacco growers get a cost of production price that includes a fair return. We think it is also imperative to aggressively pursue new export markets for Canadian tobacco. (OFCTGMB, letter to M. Foster, 1987)

Thus, according to the OFCTGMB, the Quebec Board and other growers' boards, it was only through a broader participation of the producers in negotiations over volume and quotas and more control over such items that the current disparities between the cost of production and the returns on investment would disappear. As many analysts have suggested, what the requests entailed was an increase in the price of tobacco, greater volume of sales and increased exports.

Five years after the changes of the Farm Products Marketing Agency Act and after several requests for its creation, the National Board still did not exist despite the formal promise to the tobacco growers made by the Conservative party in 1984 and confirmed in a letter sent two days after the election of the Mulroney's government. The latter stipulated that «... I can assure you that our government will be acting quickly to establish a national tobacco marketing agency...». (Prime Minister Brian Mulroney to OFCTGMB 1984) After this confirmation the OFCTGMB held several meetings with tobacco growers from Ontario and other provinces. These meetings brought small changes to the original request but more importantly, the withdrawal of the Quebec Growers' Association from the negotiations (February 1985). In a letter to the OFCTGMB, the Quebec association explained its withdrawal: «We are in full support of the basic principles of the proposed Agency plan..

We strongly endorse the major programs... there are only two relatively minor issues outstanding.. we appreciate your efforts on behalf of all tobacco growers in Canada». (OPTJQ to OFCTGMB 1985)

The following months were full of debate. The NFPMC, the state organization empowered to establish marketing board in Canada, started holding hearings in April 1985. These hearings brought more than fifty-five submissions and numerous witnesses. Just before the Council (NFPMC) presented its report in September 1985, however, the CTMC obtained a federal Court injunction to annul the Council's report and request the re-opening of the hearings in order to submit other facts and information on the cost of production. (National Farm Products Marketing Council, A.R. 1985-86). The manufacturers were strongly opposed to the creation of a National Marketing Board. They took issue with the «gap between the cost of production for tobacco and the price paid for the last eleven years» posited by the tobacco growers. (CTMC, submission to the NFPMC) According to the manufacturers, the producers' own estimates of their production costs were not clearly demonstrated and corresponded to the cost of production of a only a small minority of the 2,500 tobacco growers of Ontario (CTMC 1985). After the injunction, the producers were to have two weeks to present a more detailed analysis of their costs of production

for which they commissioned the well-known firm of Touche and Ross. The Council, however, was not allowed to take the study into consideration. More interesting is the fact that during these weeks, the manufacturers used the respite granted by the court injunction to invite the OFCTGMB to join in (in secret) discussions concerning the creation of a special committee, the Tobacco Advisory Committee.

As a result, the hearings never re-opened. In its 1987 Annual Report the OFCTGMB explains its position: «the Board requested an extension on the opening of the Public Hearings on the cost of production to avoid interference with the Tobacco Advisory Committee discussions». (OFCTGMB A.R. 1987, 5) Several factors can explain the OFCTGMB's sudden change of mind and its decision to cooperate with the manufacturers rather than to confront them. The manufacturers council had presented a very detailed brief explaining its opposition to the creation of a National Agency: «the member companies of the Canadian Tobacco Manufacturers Council are concerned that the proposed National Tobacco Marketing Agency will have an adverse long-term impact on the export market; will cause a significant reduction in the domestic market, ...will hurt the low-cost tobacco growers». (CTMC, submission to NFPMC 1986) It appears that these arguments took precedent over those originally voiced by the producers. It is possible that the producers

had realized that they were in danger of alienating a powerful ally just when its real opponents were becoming particularly active in their opposition to a National Marketing Board. In addition, in 1986 producers were facing several other problems which were a major impediment to their action. (OFCTGMB, letter 1988) Finally, the presentation of Bill C-204 in 1986 and Bill C-51 in 1987 had the effect of redirecting the producer's energy into the defense of the industry alongside the manufacturers. This new period of cooperation ended up being beneficial to the producers. In 1987-88 the agreement on prices and volume was settled in record time. The agreement allowed for an increase of five percent in the price of the tobacco leaves and a significant increase in the projected volume. And if the producers did not gain a National Marketing Board they gained a new committee, the Tobacco Advisory Committee, created secretly during the NFPMC hearings. During the House of Commons Committee's hearings on the tobacco growing industry, several leading members of the OFCTGMB expressed a positive assessment of the Committee's work. More relevant is the fact that the Committee has permitted a third year agreement on different items, such as volume, prices. The OFCTGMB annual report for 1989 shows that the Board has abandoned the idea of a National Marketing Board.

Chapter three has shed light on the different types of interactions between the tobacco industry and the state. It has shown how manufacturers reacted to the decline of the tobacco industry, the tension the decline created between members of the industry and the support it received from the state. It is legitimate to suggest that both the department of Finance and Agriculture had a certain interest in keeping the industry as it was. For both provincial and federal governments the tobacco industry was a lucrative source of revenues to which Ministers of Finance were not insensitive. The Departments of Agriculture had found clients in tobacco growers. It is also legitimate to suggest that the industry's successes were due to the strength of that industry, the vitality of its organizations as well as the interactions they had established with state representatives. The next chapter looks at the rise of the anti-tobacco social movement and its ascension to power, as well as the role played by National Health Welfare in both the consolidation of the movement and the campaign supporting Bills C-51 and C-204.

CHAPTER 4

THE ANTI-TOBACCO SOCIAL MOVEMENT AND THE ANTI-SMOKING LEGISLATIONS

The 1980's brought an important value shift and created the required conditions for the presentation of anti-smoking legislation. In Canada, this value shift was strongly encouraged by the anti-smoking organizations, mainly the NSRA. But the role of the National Health and Welfare was also influential. This chapter looks at the changes which have occurred within these organizations as well as the campaign they built to convince the public, legislators and other organizations to join the bandwagon. The study of both the movements' differential resources and their interactions allows the reader to follow the consolidation of the anti-tobacco social movement. The last section of the chapter looks at the making of the anti-smoking legislation and the debate within the state regarding the two bills.

4.1 Anti-Smoking Organizations

In 1983-84, certain anti-tobacco organizations orchestrated by Non-Smokers Rights Association united their efforts to protest against the manufacturers' sponsorship of amateur sports. In June 1987, the coalition surfaced again with the aim of coordinating the efforts of the anti-smoking groups to ensure third readings of Bills C-51 and C-204. The coalition claimed to represent the three most important organizations of the movement: the Canadian Council on Smoking and Health (CCSH), the Canadian Cancer Society (CCS) and the Non-Smokers Rights Association (NSRA). This section details the changes that have occurred within those organizations in the 1980's and the growth of the anti-tobacco social movement as well as their participation to the debate over the two anti-smoking bills.

Organizations which have identified their goals with the anti-smoking social movement are very different from each other. Of the three we have studied (three out of six), all were non-profit oriented groups. Nevertheless, their structure, their resources and their interactions with other organizations allow one to distinguish among them. As it is indicated below, the structures of both the Non-Smoking

Rights Association and the Canadian Council on Smoking and Health, even if they both could be considered «organizations», were relatively small. Those two organizations had limited financial resources and had to rely more heavily on technical and «public mobilization» resources. The Non-Smoking Rights Association had established links with several medical and health associations as well as with state representatives. It lobbied legislators and Cabinet members for action and it pressed Health and Welfare for more financial and technical resources. The same could be said about the Canadian Council on Smoking and Health but, as indicated below, this organization started its lobbying activities later. The Canadian Cancer Society is a more developed and «resourceful» organization but its interactions with other organizations until 1987 - that is until it fully espoused the goal of the anti-smoking social movement - were limited. This particular organization did not have to look outside its own boundary for resources nor did it lobby state organizations.

The consolidation of the anti-smoking social movement forced these organizations to redefine their immediate objectives and to unite in a coalition in order to have the values of their movement translated into anti-smoking public policies.

The Non-smokers' Rights Association

The NSRA was the youngest organization to become involved in tobacco related matters, but it is undoubtedly the most aggressive and active one. We shall argue that the NSRA has been the catalyst of the movement which led to the adoption of the two anti-smoking legislations. It could in fact be argued that most of what was done by the anti-smoking coalition in 1987-88 and all recent state decisions concerning the regulation of tobacco, were instigated by the NSRA. For years, the NSRA has pressed for action on such matters as smoking in workplace (spring 1985), ban of tobacco ads (1985-86) and the «equal treatment of the tobacco industry» (1986-87) - well before Bills C-204 and C-51 were introduced. More importantly it is the NSRA which convinced leading Canadian newspapers like the Globe and Mail to refuse tobacco ads and to support its effort in the war against tobacco. This was exactly what the newspapers did!

The NSRA always arranged to receive maximum media exposure. Newspapers gave the NSRA exposure and by doing so, helped enhance the NSRA's credibility and mandate. The more the NSRA pressed, the more it received media exposure,

and more it created an image of a strong, determined representative organization. It mobilized people and organizations to support (whether financially or technically) its campaign.

The NSRA was created in 1975 by nurse Rosale Berlin. Between 1975 and 1984, the NSRA chalked up several achievements but it was less known by the general public. During this period, the NSRA pressured for limits on smoking in theatres and in waiting lines and against tobacco advertising in Toronto Transit Commission vehicles. In 1983-84, the NSRA was responsible for the campaign against the sponsorship of amateur sport by tobacco manufacturers. In 1985-86, the NSRA participated in the campaign against the National Marketing Board project. To these visible achievements can be added other less visible ones, such as public education, participation in colloquia and several publications, which have contributed to NSRA's track record.

Starting in the mid-eighties the work of the NSRA became more public and directed at gaining state intervention to regulate the sale, advertisement and the consumption of tobacco products. Yet, the NSRA's mandate has not really changed since its creation. It would be more accurate to say that the NSRA has enlarged its

mandate to incorporate new concerns related to its first. Nonetheless the period between 1975 and 1985 was very important because it allowed the Association to build its credibility, a solid reputation and to become well known by state organizations and the public. Starting in 1983-84, the NSRA became recognized as the authority on tobacco related questions. Newspapers, state organizations and representatives contacted the Association to receive information on the industry or on the smoking related issues. In the mid-eighties, the NSRA hired professional staff to accomplish its new task.

In 1975, two objectives were behind the Association's creation: protection of non-smokers and the reduction of the effects of tobacco on smokers. The NSRA increasingly pressed to assure that smokers received adequate information on the effects of tobacco in order to make informed decisions. Recently, the NSRA has incorporated the objective of ensuring that the danger of tobacco products is reflected in the difficulty of obtaining the product, as it is the case for the alcoholic beverages. As one of the NSRA executives noted, the current role of NSRA is to «enlarge constantly the spectrum of the (tobacco-related) controversy». (NSRA interview 1988)

The enlargement of the NSRA's mandate in 1985 was followed by an increase of revenues. Yet, at the end of the eighties its revenues remained rather limited. In 1986-87, the NSRA had 6,000 members and an annual budget of \$400,000, a budget which had grown considerably over the previous years. Between 1985 and 1986, the revenues of the NSRA grew from \$68,123 to \$131,618 and its one foundation from \$219,504 to \$198,965.¹ The NSRA's revenues come from three main sources: membership fees, individual, corporate and institutional donations and a contribution from the Health and Welfare. Health and Welfare's contributions to the NSRA from 1984 to 1988 were \$25,000, \$45,000, \$75,000, \$46,000, \$100,000 (Benne, Health and Welfare interview, 1989).²

The growth of the NSRA revenues was matched by a growth of its expenses. In 1986 the NSRA spent more than \$300,000 in salaries, advertising and public education expenses, printing and office services, bookkeeping, etc. The biggest expense was salaries, which took between forty to forty-five percent of the total. The amount was allocated among the permanent staff of six to eight employers, depen-

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- 1 The reader should notice that NSRA is a non-profit organization with one foundation, the Smoking and Health Action Foundation registered as a charitable foundation NSRA is the only member of the foundation). (NSRA 1986)
 - 2 Here again readers should notice that NHW's contribution to NSRA may differ from one source to another. These differences arise from the fact that NSRA is eligible for more than one Health and Welfare program.

ding on the project. Some of the NSRA's paid cadre are well known by the public. Mr. Garfield Mahood, whose aggressive behavior and dynamism has often made the news and Mr. David Sweanor, the NSRA's legal counselor. These two are supported by an important group of voluntary workers, an honorary board of directors and an executive committee.

Each year since the mid-eighties the NSRA has published an annual report with a track record of its achievement. Several items are listed. For example, the NSRA takes credit for the decisions of several newspapers to refuse tobacco ads, the decision by Toronto Transit Commission to refuse tobacco advertising, etc. To these accomplishments the NSRA would also add responsibility for several campaigns directed at the state and the public in general. These campaigns were usually supported by publications. Since 1985, the NSRA has published a dozen different pamphlets, briefs, books such as the EQUAL TREATMENT publication which exposed the different myths about the tobacco industry and pressed for legislation. (NSRA 1986) The NSRA has also participated in several conferences on tobacco related matters.

The NSRA was instrumental in the elaboration of the two anti-smoking bills. It was consulted by Lynn McDonald and by different units of Health and Welfare. The NSRA has also participated in the elaboration of the final regulations and was instrumental in having the government bring Bills C-51 and C-204 to third reading. The NSRA was very important in the creation of the «war room» created to coordinate the activities of the anti-smoking groups between spring 1987 and the summer of 1988 to assure that Bills C-51 and C-204 received final reading. It orchestrated a campaign, through publications, letters to minister and M.P.s., conferences, ads in newspapers, etc.

The Canadian Council On Smoking And Health

The Canadian Council on Smoking and Health (CCSH) was created in 1974. In 1956, the Cancer Committee of the Canadian Medical Association had requested that an organization be created to coordinate the activities of the different groups involved in smoking and health programs. (CMA Journal 1974) The Council would head the social and medical groups involved in smoking and health matters. More than fourteen associations were then represented in the Council through their respective delegates. These included associations and groups such as the Canadian Cancer Society, the Canadian Tuberculosis and Respiratory Disease Association, the

Canadian Nurses Association, the Canadian Heart Foundation, l'Association Médicale des Médecins de Langue Française du Canada, etc. The list of members has not stopped growing since then.

At the time of its creation, the mandate of the CCSH was to coordinate the activities of its members. Its more specific aims were to eliminate smoking as a health hazard and to encourage cooperative effort on national, provincial and community levels. The Council had adopted several strategies to execute its mandate- legislation, information, finance and technical assistance. Lobbying or interactions with state representatives was not included per se in the mandate of the Council, even if it was recognized as a part of its objectives:

«Finally, collaboration at the community level can effect the removal of advertising impact. For this purpose a legislative lobby is required... An effective lobby working in the public interest can best be produced if community members make it obvious to their elected representatives that continued support depends on the success of a lobby». (CMA Journal 1964)

It appears however, that this last strategy was not followed until 1986.

In 1974, the CCSH budget was less than \$9,000 - a very small budget when one takes into account the number of members, their respective budget and the

CCSH's mandate. The Council was initially sponsored only by its members. It was a reflection of its commitment not to accept government funds. This policy was eventually to be changed. A quick look at the CCHS' financial statements clearly reveal the growing importance of the state's contribution to the CCSH revenues: In 1984, total revenues were \$135,278 of which \$45,000 came from the Government of Canada. In 1985, the CCSH had \$119,000 revenues of which \$60,000 came from the Government of Canada. In 1987, the CCSH revenues were \$120,000 of revenues, of which \$55,600 came from the Government of Canada. (CCSH, Financial Statements, 1984, 1985, 1986, 1987)³ These figures reveal the growing importance of the state's contribution to the CCSH activities and the relative importance giving to this Council by its fellow members as shown by the total budget of the Council.

It was obvious for some observers that a budget of less than \$200,000 was not enough to pursue the mandate giving to the Council. The scarcity of its revenues was naturally matched by its spending: total spending figures for the years from 1983 to 1987, were \$148,537, \$157,603, \$103,837, \$136,387 and finally \$142,699 (ibid). Those expenditures were divided between staff salaries of two permanent and

3 Other revenues came from membership fees, sales during special events such as the National Non-Smoking Week, etc.

two part-time employees, materials required and special events. (This last included features like publications and the organization of the Non-Smoking Week.) Nonetheless, judging from its publication the Council appears to have been satisfied with its accomplishments. Several items are listed under the CCSH activities, like the organization of conferences, symposium, workshops, as well as participation to the elaboration and implementation of the national programs against tobacco such as the «Generation of Non-Smokers» and «the Break-Free» programs created in 1984-85 by National Health and Welfare.

Starting in the mid-eighties the Council's orientations changed significantly. As noted above until 1986, political action (whether lobbying or public mobilization) was not part of the CCSH's activities despite the significant human resources the Council possessed. Pressed by the NSRA, which charged that the CCSH was only a «cover up» to mask its members' compliance with, or fear of, the tobacco industry, the Council changed its orientation in 1986. It hired a new director, Victor Lachance who was well known for his work at the l'Unité Sanitaire d'Ottawa Carleton and for the efficiency of the programs he had worked on. The appearance of Bills C-204 and C-51 proved to be the real catalyst of change which brought new vitality to the Council. Before 1987, public education and research were the Council's main activities. In 1987, however, the Council adopted three new priorities:

promotion advocacy, lobbying and legislation. (CCSH Interview, 1988) Like the other anti-smoking groups, the Council had come to realize that it was now time for more radical action. The Council chose new objectives: to identify short and long term priorities and to ensure that all member associations put these priorities on their agenda; to rally other organizations; to create support in the environment for their actions; and to coordinate all members who were working in the field. As we shall see, public mobilization through the pooling of members associations' human and technical resources became the privileged mode of action.

The CCSH's new mandate was not matched by an increase of its revenues. This handicap was nonetheless overcome by a more efficient use of the available resources, like a more frequent use of voluntary workers, the creation of specialized committees, the use of experts to elaborate and coordinate strategies and broader interaction with non-members, mainly the NSRA. By the end of the 1980's, ten permanent members and about fifty volunteers worked for the Council.

THE CANADIAN CANCER SOCIETY

The CCS is the oldest group involved in the anti-tobacco war. Its creation goes back to 1938. Like the CCSH, the CCS stayed away from lobbying the state until 1987. Until then its activities were restricted to three domains: public education; medical research; and service to patients with cancer. The CCS is certainly the most visible of anti-smoking organizations. It is also the wealthiest and the biggest in terms of membership and presence at the regional level. The CCS has a national office in Ottawa, ten regional offices, nine specialized and permanent committees and, more importantly, an annual budget of \$58 million in 1987. (CCS A.R. 1987)

Several elements have contributed to the current reputation and credibility of the CCS. First, the Society is highly visible with its annual subscription campaign. It has also hosted a series of high profile special events, such as the Terry Fox Run. Despite its refusal to engage in direct political action such as public mobilization or lobbying, the reader should not underestimate the work of CCS. It was the CCS's effort and determination which were behind the 1963 Conference on Smoking and

Health. It was also its efforts which brought the first governmental educational program. (Friedman, 1975)

In 1986, the CCS decided to join the NSRA in its effort to force government to enact legislation against tobacco consumption and tobacco advertisement. The first step in this new direction was the creation of a new post, director of public relations. According to the CCS national director of public issues, the director of public relation would be responsible for the following: «plans, develops and manages recommendations for the ongoing public issues program, ensures the Society's response to current public issues, and events and contributes to the Society's/Institutes's public issues policies through recommendations and input to the National Public Issues Committee». The document also detailed nine other responsibilities including the maintenance of an «ongoing dialogue with appropriate Government and other regulatory body representatives and monitor and inform on proposed policy and regulatory changes affecting the Society. (CCS, Position description 1986) For its new orientation, the CCS, created in September 1986, a new committee, the National Public Issues Committee, with regional divisions. The CCS's choice from among the candidates, Kenneth Kyle, shows the Society's seriousness in this new direction. Mr. Kyle had several diplomas, one in economics and one in business administration and had worked for fifteen years in government where he

had spent several years in central agencies. He also had experience as a lobbyist (CSS, Interview 1989).

A year after, the changes were made, the CCS' annual report was already claiming success. It even took credit for new developments in the anti-tobacco related matters, such as the government legislation, or the anti-tobacco coalition activities. (CCS A.R., 1987) The annual report also expressed a change in the Society's approach: the CCS «has realized the enormous influence the Society can have when it sets about to influence public policy on cancer-related matters». (ibid)

As we argued before, the CCS is the richest of the three groups we have studied. In 1987, its revenues were fifty eight million and its expenditures fifty nine million. (CCS, 1986/87 annual report) Sources of revenues are not well detailed, and it is therefore impossible to know Health and Welfare's contribution to CCS budget. Nonetheless, Health and Welfare expenditure plans reveal that in 1985 CSS received \$1 million from Health and Welfare.

4.2 Health And Welfare Canada

Health and Welfare has played an influential role as a kind of ally of the anti-tobacco social movement. Yet, over the last decade or so Health and Welfare has shifted from an exclusive reliance on its traditional partners of the health care policy community, like the CCS, to include closer relations with its new vociferous partner, the NSRA. This reflects not only Health and Welfare's growing aggressiveness on this issue but also the (partial) acceptance of the NSRA into the inner-circle.

Health and Welfare's direct and indirect support for the anti-tobacco social movement stems from its mandate as a government organization concerned with the health of the nation. Yet, Health and Welfare's increasing contribution to its traditional and new allies, its growing use of their resources and its attempt to create a consensus among its partners on the ends and the means of the anti-smoking movement show its disposition toward a «partnership» with these private organizations. Health and Welfare's growing reliance on its partners is also a sign in the change of attitude toward health care costs when starting in the middle of the 1970's the

then - Health and Welfare Minister's (Marc Lalonde) proposed to reduce health care costs significantly by promoting healthier lifestyles. Lalonde's position which echoed the 1963 Royal Commission on Health Services (Macintosh 1987) was based on the recognition that a significant proportion of health problems could be prevented by the spread of nutritious diets and the containment of substance (e.g. tobacco, alcohol) abuse. This new perspective (reducing health care costs by tackling the roots causes) predisposed Health and Welfare to turn to partners in its fight to reduce health costs.

The involvement of Health and Welfare in tobacco related matters goes back to the early 1950's. It antedated the birth of the contemporary anti-tobacco movement. At that time in Europe, as in the United States, medical associations started providing evidence on the danger of tobacco smoking. As early as 1953, tobacco manufacturers in the United States organized the industry response to health charges against cigarette smoking. (Finger and Lesington 1981, 294) In Canada, Health and Welfare in 1955 commissioned the first study on tobacco and its effects. The results were tabled in 1963. The same year the Minister of Health and Welfare recognized that «there is scientific evidence that cigarette smoking is a contributory cause of lung cancer». (Friedman 1975, 80) In 1963, Health and Welfare organized the first conference on smoking and health in which various medical associations

were involved. Five years later, members of the Health and Welfare department established the estimated cost of specific identifiable consequences of cigarette smoking on health, longevity. The study of the effects of tobacco consumption was to be continued in different units and divisions of the department. Its members published several working papers and documents. In the 1980's certain individuals and divisions came to be known as the official spokespersons for the anti-tobacco question.⁴

Health and Welfare's growing interest in the tobacco question can be seen in the progressive restructuring of this state organization. In the 1960's, tobacco concerns were under the Hygiene Directorate. In the early 1970's, the Health Services Branch took over and a division (program) was created to produce studies, consultations and meetings on tobacco-related matters. The program also had an educational component. In 1971-72, Health and Welfare underwent another major reorganization with the creation of the Health Protection Branch designed to protect the Canadian public from a wide variety of health hazards. The Smoking and Health program of the former Health Services Branch was then established as the Use of

4 i.e. People like Neil Collishaw from the Tobacco Unit, D. Wigle from the Non-Communicable Disease Division and J. Kirk Bridge from the Occupational Health Unit.

Tobacco Bureau. At the end of the 1970's, the Health Protection Branch became the Health Services and Promotion Branch (HSPB) which incorporated most of the functions of the former Health Programs Branch and brought together a number of programs related to health promotion. The Health Promotion Directorate of the Health Service and Promotion Branch was then to be engaged in health promotion activities, research and long-range planning for smoking and other health matters. The mandate of the directorate was to «motivate Canadian to adopt and maintain healthy lifestyle practices». It created programs like the «Generation of Non-Smokers» and «Time to Quit». In 1984 it also launched a national program newsletter so that organizations in the program could share information. The «Generation of Non-Smokers Program» was followed by «Break Free». Eight medical and social associations participated in the elaboration and the implementation of these programs. The CCS and the CCSH joined Health and Welfare in its efforts but the NSRA refused to do so.

In the middle of the 1980's, a new responsibility was added to Health Services and Promotion Branch such as «to provide leadership and coordination in assisting the provinces and territories to improve and maintain their health services». (Health and Welfare A.R. 1984) It also started working with non-government organizations to develop and deliver health and education programs in such areas as smoking,

alcohol use etc. At the end of the 1980's the mandate of the HSPB was expanded to carry out activities related to the health of Canadians. Tobacco related programs were to be continued under the Health Promotion Directorate of the HSPB. The tobacco unit of the Health Promotion Branch is now concerned with promoting anti-smoking values through programmes, sponsorships, subsidies to organizations etc.. The Health Protection Branch is concerned with the labelling, advertizing and content of tobacco products. Yet, none of those new units created in the 1980's - i.e. before the Tobacco Control Act of 1988 - had an official mandate to pursue its role. They only worked on «a policy development basis». (Rogers from Health and Welfare interview, January 1991)

In the middle of the 1980's Health and Welfare approached new features of the question such as the number of non-smokers who were dying every year because of tobacco smoke, the amount the federal government would save by implementing smoking bans in federal offices etc. It is interesting to note that most of these studies were not published and were revealed to the general public by the Non-Smokers Rights Association which had to go through «access to information» to obtain them. (NSRA 1986) Some were published in medical, health or pharmaceutical journals in the aftermath, but still, most of the important studies done by Health and Welfare were not made available to the general public but were reserved for the

medical and health associations. Some were published in the Health and Welfare Journal, as «important studies on the recent trends in tobacco consumption». (Health and Welfare ISSN-0228-8702) The same could be said about the «working papers» or the «notes for presentation» which were used only by state organizations. Health and Welfare's reluctance to publish those important studies may be an indication of the struggle inside the state which prevailed until 1987 concerning the overall profitability of the industry versus the anti-tobacco values.

Yet, Health and Welfare was not restricted to the provision of facts and evidence from research. As we have mentioned before, it has also created educational programs created to inform people and to convince them to renounce cigarette smoking. Some of these were often judged inadequate by the NSRA, who protested the insufficient amounts spent on these educational programs. The NSRA was also critical of small number of personnel assigned to deal with the tobacco epidemic. (NSRA 1986, 20)

Health and Welfare's growing interest in the tobacco question can also be seen in the amount spent on programs. According to Mr. Paul Melia, Health and Welfare director of tobacco uses programs, since 1981 - the year the Cabinet approved

promotion against tobacco - Health and Welfare had spent approximately two million dollars per year on anti-tobacco matters. Since 1987 this amount has been increased to three million⁵. These amounts included expenditures for advertising campaigns, community programs, educational materials, research, etc. As mentioned above it is through the Health Services and Promotion and the Health Protection Program that Health and Welfare has elaborated its anti-tobacco policies.

To further its goal, Health and Welfare also established links with some anti-smoking organizations. Health and Welfare Annual Report of 1987 referred to a «partnership» to describe these interactions. The links between the state and the anti-smoking organizations have been multi-faceted. Over the years the state has played different roles through different modes of intervention. The state has been a provider of funds through grants and contributions. Money has been given to groups to further Health and Welfare's objective of a «Smoke-Free Society» and also to assure the viability of these groups. Health and Welfare documents indicate that:

«contributions payments are made to citizen groups and individuals, national health associations, organizations of health workers and occasionally to provinces, their purpose is to encourage self-help and citizen participation in health promotion, increase the commitment and skill of the health workers,

5 The detailed figures read has followed - \$1.8 in 1983, \$2 in 1984, and 1985, \$2.4 in 1986, \$3.8 in 1987, the same in 1988 and \$3 in 1989 (millions). (Health and Welfare Paul Melia interview, 1990)

improve the quality of programs and stimulate experimentation and innovation. Contributions are used... to assist sponsors in strengthening their organizations». (Health and Welfare expenditures estimates 1986, 2-36)

Anti-smoking organizations have benefited from these grants and contributions. From 1984 to 1987 the NSRA received about \$250,000 from different Health and Welfare programs. The CCSH received about \$200,000 and the CCS received one million dollars in 1985. Some of these amounts may appear small compared to (total) Health and Welfare expenditures or to specific program expenditures, but the reader should be reminded that, in the case of NSRA, Health and Welfare contributions accounted for about twenty to twenty five percent of the Association's total revenues. Health and Welfare has also given technical assistance to those organizations by helping them gather information resources. Here a kind of partnership was also developed over time between some organizations and units of Health and Welfare. For instance, Health and Welfare conducted opinion polls on matters like smoking in workplace, and gave the results to the NSRA or the CCS. In some cases, groups were only informed of the existence of these polls or studies and had to go through «access to information» to have access to the results of the poll. In other cases, Health and Welfare public servants received a copy of an important letter addressed to the Prime Minister or other cabinet members and they would pass it on to an anti-smoking organization. The converse also occurs: public servants have used information gathered by anti-smoking organizations. Health and Welfare has

also attempted to create policy consensus among the members of the movement through the creation of forum of exchange and the development of programs. As mentioned above, in the 1980's Health and Welfare launched a series of programs like «generation of non-smokers» in which medical and social associations were involved. Most of the latter were from the «inner circle» of the health care policy community. The NSRA, however, refused to become involved in the programs. Overall, what we found was an ongoing process of consultation and exchange between Health and Welfare and anti-smoking organizations.

During the debate on C-51 interactions between state representatives and anti-smoking organizations representatives became more frequent. Members of the minister's office such as his chief of Cabinet were placed at the disposal of anti-smoking groups. (He had organized a conference in 1986 for non-profit oriented organizations on how to lobby government.) During the debate, the minister also twice agreed to meet with movement representatives. In addition, in spring 1988 when the bills were stalled in the House of Commons - weekly and sometimes daily face to face meetings or phone calls took place between Health and Welfare public servants and anti-smoking organizations.

4.3 The Impact of the Anti-Tobacco Social Movement

The impact of the anti-smoking organizations' campaign started producing results in 1985. As the reader may recall it was in 1983-84 that the first appreciable decline in tobacco consumption was registered and it was also at that period that the downturn of the tobacco industry started. Before 1985, anti-tobacco forces like the NSRA did succeed in achieving some of their goals, such as the ban of tobacco ads in public transport but it is only in the mid-1980's that one can really speak of the emergence and consolidation of an anti-tobacco social movement, as we have defined it in Chapter One.

By 1986, a majority of Canadians favored a ban on cigarette advertising - «in 1986, 63 percent of those polled agreed there should be a ban... a sharp increase from 42 percent in 1982». (Health and Welfare, fact sheets 1987) Another survey conducted by Gallup for the Canadian Cancer Society indicated that in 1987, sixty-two percent of all Canadians favored the ban on tobacco advertising. (Gallup 1987) While it is difficult to sort out the various factors behind this shift in public opinion, it is reasonable to assume that the anti-tobacco movement, through the activities

described in previous sections, helped to bring about the change in attitudes. The rise of the social movement certainly reinforced the message of anti-tobacco state representatives and state organizations. In particular, groups like the NSRA were able and willing to use more dramatic techniques than traditional public and private sector organizations to get the message across.

The impact of the social movement was also felt in the House of Commons. In 1986, Lynn McDonald, the instigator of Bill C-204, the Non-Smokers Health Act, requested the support of hundreds of organizations and individuals from different fields, like social and medical associations, school boards, unions etc.. The majority of them endorsed the bill; some sent letters, some had petitions signed by the public or their members.

An increasing number of MP's also gave their support or became sympathetic to Bills C-204 and C-51. In April 1987 only seventy five MPs indicated support for bill C-204. A few months later, the NSRA surveyed the House of Commons and found 165 out of 193 (85%) who said to support the Bill. (McDonald Lynn (MP), memorandum)

The growth of the anti-smoking social movement also prompted the creation of a counter-mobilization in the House. Thus, in 1986 the Sub-Committee of the House of Commons was created in the request of worried tobacco ridings'MPs - headed by Mr. Holliday, MP from Oxford - to study the future of the tobacco growing industry. The sub-committee held hearings for two years, heard over forty witness and received several briefs. The committee members demonstrated a very favorable bias toward the tobacco growing industry, which is not suprising, as most of its members originated from the tobacco regions. The Committee submitted its report in mid-July 1987. It contained several recommendations, most of them already expressed by the OFCTGMB.

The anti-smoking social movement also found expression at the state level where several state organizations enacted new anti-smoking policies. One example is the Department of Transport which enacted the Aeronautic Act, in December 1987, prohibiting smoking on all domestic flight of two hours or less. (This measure was later to be applied to all flights).

4.4 Anti-Smoking Legislation

The greatest challenge the industry faced at the end of the 1980's was the introduction of two anti-smoking bills. The bills were the clearest expression of the anti-tobacco social movement's success. Presented a few months apart, Bills, C-204 and C-51 shared the same fundamental objectives - to regulate tobacco consumption and tobacco advertising. The first bill C-204, was a private initiative presented in October 1986 by Lynn McDonald, the NDP's Health and Welfare critic. Bill C-204 the Non-Smokers Health Act proposed «that smoking be banned or restricted to seperately ventilated areas in all workplace and transit vehicles under federal jurisdiction. (Collishaw 1987, 7) In addition, it proposed that the existing Hazardous Products Act be amended in such a way as to ban all tobacco advertising.

The second bill, Bill C-51 the Tobacco control Act was presented by Jake Epp, Minister of Health and Welfare in April 1987. The Tobacco Control Act aimed at prohibiting tobacco advertising (including sponsorship of cultural or sports events)

«with only a few limited exceptions».⁶ Bill C-51 also included a request that tobacco manufacturers list on the package of cigarettes the toxic ingredients included in cigarette manufacturing and called for stronger health warnings. It prohibited the distribution, sale and advertisement of non-tobacco goods bearing tobacco product brand names or trademarks, as well as free distribution, of coupon schemes, gifts, cash rebates and contests for the purpose of promoting tobacco products. Manufacturers would also be required to report quantities of selected constituents of tobacco products as well as sales data. Penalties for non-compliance of up to a maximum of \$100,000 and/or six months in jail were included in the legislation.

Bill C-204 was deferred to a legislative committee six months after its first reading. After the first reading of Bill C-204 Epp was requested by anti-smoking groups to endorse publicly the Bill. He refused to do so, saying that the Bill did not go far enough. It seems clear that by this time, pressure to curb tobacco use coming from inside and outside the state, had managed to convince the Minister of Health and the Cabinet that stronger measures were needed. C-51 received its first

6 As it was noted in chapter 3 a similar bill had been introduced in 1971 by Mr. Munro, then Minister of Health and Welfare. Bill C-243 which also had called for the banning of tobacco ads and sponsorship but it did not get past second reading.

first reading in April 1987. The bill was deferred to the same legislative committee on November 23, 1987. The legislative committee received two hundred and thirty briefs and heard ninety-nine witnesses, groups and individuals. These two bills reached third reading on June 1988 and came into effect in January of 1990.⁷

Bills C-204 and C-51 came after several years of struggle by an increasingly visible anti-tobacco social movement and the growing involvement of National Health and Welfare in promoting a smoke-free style.

From 1972 to 1987 no federal government had had an anti-tobacco legislation on its agenda. The debates at the beginning of the seventies had produced relatively meager results - adoption of the voluntary code by the manufacturers which, according to the NSRA - the dominant anti-tobacco organization - was never respected by the manufacturers (NSRA 1986) but the 1980's major value shift favored the work of anti-smoking organizations and allowed them to convince the Mulroney Government, which had just arrived to power in 1984, to regulate the tobacco industry and tobacco smoking.

7 Bill C-51 was declared unconstitutional by the Quebec's Superior Court on July 27, 1991. The Canadian government has appealed the decision.

Yet, the period between the first reading and the royal assent of the two bills was one of very intense exchanges and debate involving state representatives, the tobacco industry and anti-smoking organizations. Two communities organized- the community supporting the bill and the community against state intervention. The division between the supporters and the opponents of the bills cut across the profit-oriented versus non-profit oriented line we traced before in the typology of groups. The issue opposed «post-materialists» against «materialists». i.e. groups concerned with the quality of life and those concerned with business matters. Both communities tried to capture the support of other organizations and the general public. They tried to mobilize other organizations with which they shared certain affinity and interest including sympathizers in the state itself - state representatives, individual MPs, legislators, members of the legislative committee, Cabinet members and the Prime Minister himself.

The first step in the complicated process which led to the bill's passage was Jack Epp's nomination in 1984 as minister of Health and Welfare for the federal government. Epp was known as a very committed individual, a moral crusader and an anti-smoker. As is the case for each new minister, the first weeks of Epp's mandate was used by public servants for extensive briefing on current issues and required legislation as well a list of priorities was presented to him in the mid 1985.

The Health Protection branch and the Tobacco Section strongly suggested that a law to regulate tobacco advertising be presented to the Cabinet. Over the years the head of the section, Neil Collishaw, had acquired a reputation as an expert on tobacco related matters. He had participated in several studies (published and unpublished), on the effects of tobacco smoking, the social costs of tobacco smoking and on other related matters.

The minister's briefing was followed by a period of discussions at the cabinet level, between Health and Welfare, Agriculture Canada and other members of the Cabinet. As early as 1985 an anti-tobacco proposition had reached the Cabinet agenda but the exact nature of the intervention was still undecided. In 1985, the Mulroney government decided first to negotiate with the industry on matters related to the advertising and the marketing of tobacco products. At the beginning of 1986, a proposition was submitted to the Cabinet and studied by the Social Development Committee of Cabinet. The committee presented its report in spring of 1986 which approved «in principle a comprehensive tobacco policy which discourages tobacco usage». (Health & Welfare to Agriculture 1986) The report also indicated that «compliance with the new policy also includes specific actions such as the phasing out of current federal activities in support of the growing and processing of tobacco including any tobacco industry subsidies from this department (agriculture)». Yet, it

appears that the decision to intervene immediately was abandoned even though Epp had given public indication of his department's intent to present such a bill. During this period, the Minister of Health and Welfare and other members of the cabinet began negotiations with the CTMC. In addition, as we argued in previous chapter, in 1986 Agriculture Canada had committed itself to the producers by endorsing the National Marketing Board Agency project and adopting programs to help them to leave the tobacco growing industry. Although the amount of support given was less than that expected by the producers, it is clear that the Agriculture Canada had decided to take their situation into consideration. It seems clear that the debate within the Cabinet had not favored the Health and Welfare's position but rather leaned to the traditional one of de facto support for the tobacco industry as pressed by Finance's reluctant to kill a «cash cow» and Agriculture whose concerns for the farmers may have shifted to cushioning their exit from the industry but would have been likely to oppose any move that would unduly accelerate the process.

In May 1986, Epp met with the manufacturers. According to the latter, at that time, the Minister expressed his «preference for self-regulation over government legislation». (CTMC 1986) A month later, the CTMC presented a brief to the Minister with proposed amendments to the Voluntary Code and new initiatives regarding the level of tar, media advertising and other matters. (CTMC 1986 12-13)

Undoubtedly, the manufacturers wanted to avoid legislation by showing their willingness to change the code. The June brief was followed by a meeting in September and an exchange of letters. (Honorable Jack Epp to CTMC October 1986) Judging by the CTMC's response letter (to Mr. Epp) it is clear that by November 1986 - which corresponded to bill C-204's first reading - the minister's tone had changed for he then requested that «no form of tobacco advertising, promotion or sponsorship is (to be) allowed except as permitted by a given set of rules». (CTMC 1986) The minister also requested that the manufacturers «allocate as much as thirty percent of available space to health warnings plus another ten percent to the listing of average tar, nicotine and carbon monoxide levels» - and finally, «that the health warnings ..be attributable to the tobacco manufacturers». (CTMC letter November 1986) This letter was followed by a meeting in December 1986. But the first reading of the Non-smokers' Health Act (C-204) ended the exchange. Between December 1986 to April 1987 (i.e. the press conference announcing C-51), there were no exchanges between Health and Welfare and the tobacco manufacturers. These exchanges were to be resumed only after C-51 had received third reading.

Nonetheless, throughout the debate, - from the first reading of C-51 to its Royal assent - Epp expressed very little public support for his bill. Only four times did he speak on the matter, first in June 1987 at the bill's second reading, where his tone

was a clear indication of Health and Welfare's willingness and interest in stopping tobacco manufacturers. He then referred to his previous exchange with manufacturers and their failure to convince him of effectiveness of the voluntary code route. Epp argued that after fifteen years of the voluntary code, and many proven violations, the public had become distrustful. There was now a general consensus in favour of the stricter regulation of tobacco advertising. (Débats à la Chambre des Communes, 23 novembre 1987)⁸

A year later Epp presented a list of amendments to the committee, amendments which would phase out the regulations on outdoor advertisements and other matters. (House of Commons, Issue, n. 24, 25.01 88) Apart from these official interventions, he stayed away from the campaign and the public debate. As one observer remarked, Epp may have realized that his career was at stake with this tobacco controversy: he preferred to leave the «dirty work» to the anti-tobacco organizations and to his department. This is an indication of the strength of the struggle inside the state over the two tobacco related positions. Yet, the major pressures on Health and Welfare were those of the anti-smoking organizations.

⁸ Epp also addressed the legislative committee when the bill was deferred to it and again later in December 1988 when he addressed the committee. (House of Commons 1987)

Chapter four has followed the consolidation of both the anti-smoking organizations and Health and Welfare. It has also shed light on the development of the social movement, the ascension of which was charted by Bills C-51 and C-204 first readings. In the next chapter we shall look at the campaign surrounding the two bills which will show the central role played by what we have called «differential resources», and «interorganizations interactions».

CHAPTER 5

C-51 DEBATE: DAVID AGAINST GOLIATH

The first reading of Bill C-51 brought the debate to another level. It was now clear that the state had endorsed Health and Welfare's anti-smoking position. Yet, there was still room for debate. From C-51's first reading to its royal assent in June 1988 - more than a year later - the tobacco industry tried to use the state's ambivalence to its advantage by creating a strong coalition of profit-oriented organizations to lobby those «sympathetic ears» they had in the state as well as to campaign the general public.

When looking at the debate surrounding C-51 and C-204 it is almost impossible not to think about the David and Goliath myth. David, the weak youth (anti-smoking groups) going after the giant Goliath (the tobacco industry) and winning the battle. But the metaphor is misleading. As we suggested in chapter four the anti-tobacco groups were only «weak» in terms of financial resources, at least relative to

the manufacturers. Yet, they possessed other important resources and they used them with effect to compete on the same footage with the tobacco industry.

The study of the manufacturers' response to the legislations shows that instead of cooperation and compromise, the manufacturers have opted for their traditional strategy which consisted in mobilizing the public through propaganda and in counting on what they believed was an invincible position. They thought that, once again, behind closed doors, prestige and money would crush the determination of anti-smoking organizations and Health and Welfare. As C. Pugh explains, tobacco manufacturers have traditionally responded to the controversy in four ways: by supporting scientific research to produce counter-evidence to unfavorable findings; by conducting propaganda campaigns against the public claims of anti-smoking groups and individuals; by voluntarily meeting some of the demands of the interests favoring regulation in order to reduce the pressure for governmental control; by engaging in diversification to protect their corporations from the financial consequences of a decline in cigarettes sales. (PUGH 1981, 22) During the debate on C-51 and C-204, Canadian tobacco manufacturers have definitely opted for a strategy of counter-evidence and propaganda, organized around the relations they had nourished with other organizations through their business or promotional activities.

Moreover, the manufacturers believed in the invincibility of their lobbying. The economic impact of the tobacco industry, the large amounts manufacturers spent each year through the CTMC to enhance their image, their visibility to Cabinet members, and the ease of access to top legislators which they have enjoyed through the years, would, they believed, prevail over the anti-smoking social movement's strategies and discourse. Yet, several signs allow the observer to speculate that manufacturers knew that sooner or later legislation of this kind would be submitted to the House of Commons. The creation of Society for the Freedom of Smoking, the manufacturers's involvement in the consultation process with Health and Welfare in 1986, their frequent reliance on one of the most important lobbying firms in Canada, Public Relations International, and their publications during this period, provide some indication of their degree of awareness. One should add that just a few days after C-51 went to first reading, the CTMC published a paper spelling out its reaction to the bill. They then engaged in the battle initially using the same strategy and arguments they used in 1969 during the Isabelle Commission. To the observers it was almost a remake of that earlier battle. The manufacturers tried to keep the issue out of the public domain. This time, however, the strategy did not work.

It is interesting to compare the briefs presented in 1987-88 with these presented in 1969. The points raised then, as well as in 1987-88, concerned the economic impact of the industry, the absence of scientific proof about linking cigarette smoking to cancer, the impact of cigarette advertisements on consumption. In 1987-88, however, the determination of the anti-smoking organizations forced the manufacturers to go public and to use other arguments and strategies. In 1987-88, two new arguments were added to the first: the willingness of the manufacturers to respect their own code and the free-speech argument based on the notion that the industry had the right to communicate freely with its client to sell a «legal» product. The free-speech and freedom of commercial expression became the main argument and eventually led to a court battle to decide on the bill's constitutionality. (After the two bills received royal assent in June 1988, the manufacturers asked provincial courts to consider this matter.) Before the two bills reached third reading they also requested the help of other organizations with whom they had a certain affinity as well as shared financial interests. Manufacturers requested the support of four different communities: the advertising community; the cultural and sport community; special interest groups; and other members of the industry. They succeeded in getting some of these organizations to contribute their resources to the campaign. These organizations share certain common «boundaries» with the tobacco manufac-

turers such as membership in the same advertising/advertisers associations. The Manufacturers requested mainly technical and human resources rather than financial ones: most of the campaign expenses were met by manufacturers. The Manufacturers looked for support mainly to create an image of a strong community willing to defend the tobacco industry and to assert other principles, like the freedom of commercial expression.

5.1 Campaign by manufacturers: capitalizing on shared interests

Several times during the eighties the manufacturers have asked other members of the industry to join them in their battle against taxation and/or in the promotion of the industry. CTMC has also requested the support of other members to promote a favorable image of the industry. Links between the members of the industry were reinforced during the C-204 and C-51 controversies. Producers were asked to join manufacturers in their opposition against both bills. Members of the CTMC visited tobacco regions and tobacco associations. As might be expected from what we have argued in chapter two the producers responded favorably to the manufacturers.

Through their main representative, the OFCTGMB sent letters and briefs to cabinet members and MPs and also attended legislative committee hearings. The newly created groups, the TAISS and the CTAM, also participated to the campaign.

The involvement of the advertising community in the offensive against C-51 and C-204 was quite understandable. According to the official statistics, the manufacturers spent \$75.3 million in 1984 in advertising and eighty million dollars in 1986. (CTMC 1986) Note that these figures were questioned by anti-smoking groups and Health and Welfare.¹ We should add that it is almost impossible to know precisely manufacturers' share of all money spent on advertising in Canada or, to get a precise assesment of the losses which magazines and newspapers stood to incur when Bill C-51 passed. Nevertheless, one can use several data to get an idea of the magnitude of cigarette manufacturers' spending on advertising.

According to the Leading National Advertisers (LNA), studies of tobacco manufacturers expenditures in leading English and French magazines, the latter consti-

1 According to a non-official study conducted by Health and Welfare, manufacturers spend \$150 to \$200 million a year on advertising. (CTMC 1986). The CTMC has severely criticized these figures during C-51 hearings.

tuted approximately of \$7.6 million between January 1987 and December 1987. In 1988, these expenditures had increased to \$14,257,339 million. Of this former amount, twenty five percent went to the TV Guide, nineteen percent to Macleans and eight percent to Chatelaine (english version). For Maclean's, these figures represent 9.9 percent of all publicity pages; for the TV Guide 20.2 percent. These last figures help to explain the interest of some magazines and newspapers in fighting Bill C-51. The LNA's data also reveal that not all magazines and newspapers stood to a major loss from C-51. In some cases such as the Calgary Magazine, only two percent of all advertising pages were related to tobacco. The reader should note that these figures only concern leading national publications and the data for small newspapers or magazines, such as local or regional ones are not counted. Another thing to note is that these amounts are only one aspect of all money spent by manufacturers in advertising. Money spent for inside and outside billboards should be added and Health and Welfare study estimates that, in 1985, one out of four outside billboards advertised tobacco. Publicity was also distributed in the different outlets and stores. To these, one has to add the amount spent in promotional activities. According to tobacco manufacturers, all these activities combined involved expenditures of \$80 million in 1987 alone.

Several advertising and promotional organizations and business like the Association of Canadian Advertisers Inc., the Canadian Advertising Foundation and the Outdoor Advertising Association of Canada, the Institute of Canadian Advertisers and companies like Gallop and Gallop Advertising responded positively to manufacturers' request for support. The Association of Canadian Advertisers Inc, created in 1914, represents about 200 corporations. (ACA Submission 1987). The ACA is also related to an international association, the International Advertisers Association, whose mandate is similar at an international level. The Canadian Advertising Foundation which was founded in 1956 also responded favorably to manufacturers request. This particular association represents both «advertisers, advertising agencies, the media and related associations». (CAF 1987) Apart from being the representative of all these interests involved in the advertising activities in Canada, the CAF's mandate, through the General Confederation, is to supervise the norms and standards of advertng industry in Canada. The Outdoor Advertising Association of Canada, another important organization of the advertising businesses «made up of some thirty four member companies operating outdoor advertising» (OAAC 1988, 8), also took part in the campaign. Organizations represented by the OAAC accounted for «approximately 96 percent of the standardized measured outdoor advertising

media in the country» (ibid). The Association is composed of the big names in the advertising industry such as Mediacom and Gallop and Gallop Advertising Inc.

All these organizations had an interest in keeping the regulations concerning tobacco advertising as they were. The structure of these organizations reflected the importance of tobacco manufacturers in the advertising industry and found echoes in the composition of their board of directors. For example in 1986-87, two of ACA directors came from the tobacco industry. (Others members' came from banks, breweries, the Food industry, etc.) The CAF's 1987 Board of Directors also reflected the wide interests the Foundation represented and the role played by tobacco manufacturers: Members came from General Foods, ACA, ICA, Publicite McKim Limitee, Molson Breweries of Canada Limited, Maclean Hunter, the Ottawa Citizen, and tobacco manufacturers.

All these organizations participated quite actively in the C-51 and C-204 offensive. They contributed by pooling information, technical and human resources. They also agreed to lobby legislators as well as to appeal to the public through publications and ads. ACA published a study on the «factors which induced young Cana-

dians to smoke» in May 1987. This research was financed by the CTMC and carried out between 1984 and 1986 by the Children's Research Unit of London, England. As his vice-president explained, the publication of this study in May 1987, a month after first reading of Bill C-51, was no coincidence but an anticipated response to anti-tobacco international pressures. (ACA, Montreal vice-president, interview 1988)

This study was sent to all members of Parliament, including Cabinet members, with a letter explaining the aim of the action - «these are important pieces of information for the debate and the serious implications of Bill C-51...». (ACA 1987)

Another study was published in 1986, but this time, by the ACA's international counterpart, the IAA. (The study, «the tobacco advertising band and consumption in 16 countries», was, actually first published in 1983 but Canadian legislators and the organizations involved in the debate all received a copy in 1987.) Apart from these reports and studies, advertising organizations presented briefs to the C-51 and C-204 legislative committee. They sent letters to M.Ps and Cabinet members. Several members of these associations also sent «personal» letters to the committee or to M.P.s.: As the controversy progressed more organizations became involved and different types of letters were sent exposing what they believe were «misleading statements by Ms. Lynn McDonald», or the «probable effects of Bill-C-51» and

«things the proposed bill..will not do». Others spokespersons from well known firms, like Stan Buda from Ted Bates Advertising Inc. sent copies of articles citing Jake Epp who, in May 1986, questioned the efficiency of a ban on tobacco advertising. These actions showed their interest in keeping the advertising rules as they were. Some organizations like the CAF and the OAAC went as far to propose a compromise between Health and Welfare and the manufacturers, in the form of an independent and autonomous committee to supervise the implementation of new voluntary-regulations.

Sport and cultural organizations were also solicited by manufacturers. This was quite understandable given the large sum manufacturers spent each year on promotional and sponsoring activities. Here again, however, it is almost impossible to know exactly the nature of these amounts spent by tobacco manufacturers on grants and donations to sport and cultural organizations and on sponsorship activities, as these figures are confidential. Judging from Imasco's annual report however, one can get a reasonable picture of these expenditures. Imasco's annual report stated that in 1987 it had spent \$1.9 million, spread out over 500 associations. Imperial Tobacco in 1987 contributed to seven major sports events, such as the International Players, the Canadian Omnium, The Du Maurier Classic (Golf), etc. Yet the \$1.9 million

figure appears very conservative: In its brief to the legislative committee the Canadian Royal Golf Association explained that in 1987 «Imperial tobacco contributed for \$2.5 millions». (CRGA Brief 1987)

Apart from these contributions to sports events, Imperial Tobacco also gave grants to several cultural groups and cultural events: since 1971, Imperial Tobacco has contributed to the revenues of 155 associations, from Les Grands Ballets Canadiens, to l'Opéra de Québec, the Royal Winnipeg Ballet, the McGill Chamber Orchestra, etc. (Imperial tobacco Grants Recipients, 1987). The tobacco manufacturers contributions were not restricted to these activities. If we take the case Imperial Tobacco, in 1987 it participated in the budget of L'École des Hautes Études Commerciales de Montréal, to «l'Initiative of Job Creation in Montréal» a seven millions dollars project.²

2 The manufacturers have also been involved in scientific research. It is interesting to note that, traditionally, tobacco manufacturers have worked closely with medical associations and universities in research programs on the consequences of tobacco smoking and other related matters. A complete list of such activities was submitted to the Isabelle Commission in 1969. In 1968 CTMC created a specific grant fund for medical research. CTMC gave in 1987 \$97,484 dollars to V. J. Knott of the Royal Ottawa Hospital, \$107,616 to James Hogg of the BC University and \$100,000 to Christie Labs. (RBH to K. James 1987)

Yet through their sponsorship and promotional activities manufacturers have contributed to the budget of hundreds of cultural and sports organizations. These activities had no philanthropic objective but were purely promotional. According to Imperial Tobacco their aim was to «enhance the image of the main brands by associating them with sports or cultural events. (Imperial Tobacco «la commercialisation du Tabac») The industry indicated that these activities were part of its «social responsibility». Most of these promotional activities however were tax deductible. On this matter, Revenue Canada conducted a special study in 1983 on corporation with assets of twenty five million dollars or more and charitable donations claimed for tax purposes of seventy five thousand dollars and more. This study showed that tobacco manufacturers claimed in 1981 \$73.4 thousand dollars on charitable donations spend on arts and culture. In total, tobacco manufacturers claimed for tax purposes \$1,354 thousand in donations spent on matters like welfare, health, religion, community benefits. (Inquiry of ministry, question no, 196, 1987)

Throughout the C-204 and C-51 controversies several cultural and sports associations expressed their dependency on the manufacturers' contributions to their revenues. But not all cultural and sports organizations which benefited from the manufacturers' promotional activities decided to participate in the offensive against

C-51. We mentioned earlier that more than one-hundred and sixty associations figured on the Du Maurier's list of sponsorship. According to our estimate, only twenty organizations engaged directly in the debate through letters, briefs and by participating in the legislative committee hearings. An additional twenty signed the advertisements against C-51 which were paid for by the manufacturers.

The organizations which did participate nevertheless clearly exposed the importance of the manufacturers' contribution to their annual budget. For example, the Coastal Jazz and Blues Society said it had received \$150,000 in 1987 from the manufacturers, an amount which represented a little bit less than the half of its \$360,000 annual budget for the same year. As one of its spokesman explained to the legislative committee, the tobacco industry has for years provided generous and consistent funding for the arts via sponsorship of events. (Coastal Jazz Society 1988, 75) The spokesperson also added that the government had progressively reduced its contribution to cultural events, creating strong competition between associations and events. (Coastal Jazz Society 1988) The Royal Canadian Golf Association faced the same dilemma. As its spokesperson explained, the «industry has been sponsoring the Canadian Omnium for the past 18 years», adding that Imperial Tobacco has been giving \$2.5 million a years without asking for anything in return. (Canadian Royal

Golf Association 1988, 107). The Tennis Canada Association vice-president noted the legislative committee that it received «approximately \$1 million from direct sponsorship, and that was applied toward the prize money. This amount represented about 75 percent of their \$6.6 millions total budget» (ibid).

Apart from the advertising business and the cultural and sports organizations, two new groups were created between 1986 and 1987 and joined the manufacturers in their offensive against C-51 and C-204: the Smokers Freedom Society (SFS) which still exists and is presently involved in the provincial court offensive against anti-smoking regulations and Coalition 51, an ad hoc group composed of influential people from Toronto and Montreal business enterprises. These two groups helped manufacturers to mobilize people in support of their cause as well as lobbying state representatives. These groups, especially Coalition 51, also had privileged access to state members like cabinet members and senators. Both groups were supported financially by manufacturers.

The Smokers Freedom Society (SFS) was created in may 1986. This association is a kind of counterpart of the Non-Smokers Rights Association. Its creation raised

questions about the manufacturers's involvement in the Society. The CTMC gave \$100,000 to the Society when it was created. The anti-smoking groups were quick to claim the Society was a pure puppet of the manufacturers. According to Mr. Bédard, president of the Society, however the relationship between the two originated in their sharing of the same liberal ideas about freedom and government involvement in private and public matters. Mr. Bédard, a professor of philosophy, was also involved in the creation of a bi-annual review L'Analyste. Due to his involvement in public debates he became aware of the manufacturers' concerns.

The leitmotiv of the Society was «fumer en toute liberté. Dans le respect des autres» (to smoke freely, while respecting others). The Society has the mandate to inform on all matters related to tobacco, to act upon government on matters related to taxation and legislation, and finally to be the spokesman of smokers' defenders. In January 1988 the society had approximately 7,500 members, of whom twenty three percent were non-smokers. (SFS Michel Bédard interview 1988) The president of the BCTWU (tobacco manufacturing plants workers union) indicated to us that most plants workers were members of the SFS.

The Society has been very active in the offensive against C-204 and C-51. Its involvement was expressed through letters to the Prime Minister, participation in the legislative committee hearings, publications of two briefs. The SFS also had its members participating in the offensive by sending documents, letters and pre-addressed envelopes for them to send back to legislators. The Society also took part in the taxation debate. It has requested an opinion poll on smoking regulation in the workplace. Finally, the SFS's director said to have given over 150 interviews between 1986 and 1988.

Coalition 51 was created spontaneously by the union of several business people from Toronto and Montreal, powerful individuals or spokespersons from well established organizations such as le Président de la Chambre de Commerce de Montréal, the president of the Journal de Montréal; Monsieur Pierre Péladeau and many more. According to its spokesman the Coalition was also supported financially by the manufacturers. Imasco absorbed the Coalition's costs for transport, accomodation and public relations. (COALITION 51 spokesperson interview 1988). The Coalition represented Canadians from different fields, but mainly business, who shared the same views of Bill C-51. In a letter adresssed to Ms. Flora McDonald their view was well presented:

«this legislation (C-51) represents an assault on freedom of choice and expression, sets a dangerous precedent and, punitively and unnecessarily inflicts economic hardship on the Canadian media, Canadian businesses and Canadian sporting and cultural groups». (Coalition 51 letter to Flora McDonald, 1987)

The Coalition's participation in the debate was less visible than the SFS's. It sent letters to M.P's and participated in the committee's hearings, but it appears that the Coalition opted for less visible actions like lobbying cabinet's members, the Prime Minister and senators. It dissolved in 1988, having been created for the purpose of preventing Bill C-51's passage into law.

In addition to using their network of relations to battle the bills, the manufacturers also lobbied state representatives as well as the general public. They sent letters to M.Ps. and to the Prime Minister. Included in these letters were a summary of the exchange manufacturers had with Health and Welfare in 1986-87 and a copy of the publication Tobacco In Canada. As always the letter indicated the economic importance of the tobacco industry in Canada especially its importance as a source of government revenues, what the CTMC called a «cash cow» for governments. (CTMC 1987). The CTMC also published advertisements in important newspapers across the country which outlined the industry's view of government regulating

tobacco advertisement. (CTMC ads in La Presse July 16, 1987) They also tried to benefit from the long-term relationship between William Neville, the newly named president of CTMC, and members of the Mulroney government. Mr. Neville was a former advisor to the Conservative Party. This strategy boomeranged as it fed the industry's image of a powerful industry which, through money and privileged access, could «buy» government's favor. The anti-smoking coalition, mainly the NSRA, was quick to expose this manoeuvre to the public. Through what they called «block-buster ads» the NSRA published a full page to expose the «Neville Factor» on January 1988.

After the bills received third reading, in the House of Commons, manufacturers also tried to persuade the Senate to refuse to endorse the bills. Their long term contact with the Liberal party and several senators however proved fruitless, even if members of Coalition 51 had actively lobbied senate members. The general public was also solicited by manufacturers during the fall of 1987. Letters with pre-addressed envelopes to return to legislators and to the Prime Minister were sent to individuals. Through electronic mail the manufacturers sent letters to hundreds of individuals to explain Bill C-51 and to inform them that within a few days they would receive an information kit with a pre-addressed and stamped envelope to

return to their federal MP «before it is (was) too late». (Electronic Mail, Canada Post, September 1987)

As we saw, manufacturers' offensive against anti-smoking bills was strong and well organized. The anti-smoking organizations had no other choice then but to unite their efforts via the creation of a new coalition. As we suggested above, it is accurate to speak about an anti-tobacco social movement starting in 1984. This movement was the result of the campaign of anti-smoking organizations, mainly the NSRA, as well as Health and Welfare. Anti-smoking groups gathered in a coalition - «the war room» - from fall 1987 to the summer of 1988, to assure that the two anti-tobacco bills passed third reading. The coalition was composed of six organizations. The decision to coordinate their efforts was never fully explicit but came as a necessity, when some groups realized that the efforts they put into public education and lobbying were vanishing in the face of industry opposition to the bills. During the fall of 1987 and spring of 1988, the manufacturers and their supporting organizations had captured enough media, public and government attention to jeopardize the final passage of the two bills. The anti-smoking forces alarmed at the delay in the bills' passage. It feared that all their efforts were being annulled by the strength of the support the manufacturers had managed to build.

5.2 Anti-Smoking Coalition Campaign: The «War Room»

The coalition took shape slowly. Before 1986 some anti-smoking organizations had refused to become involved in public mobilization campaigns as well as lobbying state representatives. They preferred to restrict their activities to public education and research. Only the NSRA had permanent staff working full time at this cause, and NSRA openly criticized the other anti-smoking groups for their passivity and «hypocrisy» especially La Fondation des Maladies du Rein which, in 1986, named Paul Paré, President of Imperial Tobacco, as its national corporate campaign chairman. The NSRA also accused the CCS of passivity and of giving «significant support to tobacco related advocacy initiatives». (NSRA, Track Record, 1986) These organizations initially replied that their mandate did not allow for lobbying but as we have shown, both the CCS and the CCSH began to form new structures in 1986 and new functions were created to accommodate the new objective.

The new coalition created in late 1987 was called by some of its members «the war room». It was composed of the NSRA, CCS, CMA, PSFS, CNA, CCSH. The six members met approximately twenty times between August 1987 and the spring

of 1988. The «war room» was the result of anti-smoking organizations' decision to combine their efforts to develop strategies, to build a campaign and to divide the work between members in order to maximize the use of the scarce financial resources and the potential of their human and technical resources. The War Room allowed for exchange of information between members, the sharing of tasks, the development of unanimous positions and campaigns. It was also decided to make full use each organizations and members association's pool of voluntary workers. The creation of the War Room was based on the notion that it was possible to compensate for the industry's greater financial resource and its privileged access to state representatives by using more systematically the resource they had - what NSRA legal consellor Sweanor had called «an intelligent lobby». (NSRA interview 1988) The War Room can also be seen as the application of the NSRA's way of doing things to other groups. The War Room applied the idea that to confront the tobacco industry one needed to be prepared. One needed to know what to say, when to say it, and with whom to speak to get the maximum of effect. In retrospect by looking at the War Room campaign it seems clear is obvious that it proved very effective.

The war room used different means and resources in its strategy against the industry's reaction and the state ambivalence. A good description of these means has already been presented by NSRA, in its semi-annual review and by CCS in a document to be published soon. (NSRA INDORAIR, spring 1988) Here our description of the means aims only at showing the different resources used and the way they were used. The War Room's strategies aimed at influencing both state representatives as well as the public in general.

The first action they undertook was to ensure that the legislative committee was favorably disposed to the two bills. The coalition exposed the link between one of legislative committee's members, Ron Stewart, and the industry. Mr. Stewart was «a wealthy tobacco wholesaler» in Barrie, Ontario. (NSRA INDORAIR, 1988, 2) The coalition sent over 30,000 pamphlets in Mr. Stewart's riding exposing this link. The groups also gave press conferences on the matter. In the end, Mr. Stewart resigned from the committee. The coalition also made sure the opposition supported the bills. The movement feared the government would use the traditional excuse of the opposition «opposing» the bill to delay third reading. The coalition thus organized several information blitzes and meetings with opposition leaders. Letters were also sent. During that period members of the coalition visited several M.P.s, pre-

viously identified through opinion polls as most reluctant. The Health and Welfare Minister was also visited twice by War Room Representatives.

At another level the War Room worked intensively to generate popular support for the bill. Opinion polls were conducted and the results were transmitted to the media. The War Room also decided to make use of the existing organizations, which they felt had an interest in the cause. Letters were sent to school boards and other organizations like medical and parental associations. It also decided to make better use of member associations. The CCS sent post cards (35,000) to its members to return to legislators. The War Room also worked on keeping the public informed. Documents were published and press conferences were organized frequently. Daily contacts with the press were maintained. Several full page ads were published in important newspapers across the country. In spring 1988, more of these full-page advertisements were published, calling for «final approval» of the bills. Some advertisements were published simultaneously in up to twenty-two newspapers. What is interesting about those advertisements is that they followed the debate's evolution and the reaction of the industry step by step. Their content reflected the War Room's concern to be quick to react to the industry's counter-propaganda. For example, after the tobacco manufacturers published its advertisements about the

«probable effects of C-51 on artists fundings» the NSRA and other organizations mobilized artists to «break the silence» about such fundings and to show that few artists benefited from such sponsorship. More than eighty names appeared on the french version of this advertisement published in La Presse. The NSRA paid for the advertisement. A few weeks later in December 1987, the coalition reacted again to the manufacturers public mobilization campaign operated through electronic mail. Another series of advertisements were published and paid by NSRA. But the harshest advertisements published on May of 1988 were sponsored by the full War Room. These called for more leadership from the Mulroney government «before the House dissolves» ...and the «bill dies». Two weeks after the CCS and other members of the War Room called in another advertisement for the final approval for the bills. In addition to these ads, debates with the spokesman of the industry were organized.

All these actions proved to be effective. It kept the issue in the public domain and it sent a message not only to the industry, but also to the state about the «War Room's» determination. Their strategy was also effective getting several non-profit oriented organizations or groups like medical associations, which had refused earlier to join, to change their minds. As noted above, by May 25, 1988 more than

twenty-two signatures of important organizations appeared on the advertisements protesting government slowness in giving final reading to the two bills. As one member of the War Room noted the «smell of success» had something to do with their decision. Their strategy worked well in presenting the Mulroney Government as «coward» faced with the industry lobby. But most of all it was their public mobilization campaign which worked the best, whether it was directed at the public directly or the media, specially newspapers. The two anti-smoking bills received third reading on June 1988.

6. Conclusion

One of the difficult tasks of political science is to find plausible explanations for public policy shifts. In this thesis we have explored the reasons behind the absence of regulations on tobacco until 1988 and the forces behind the adoption of Bills C-204 and C-51. Why was there a policy regulating tobacco advertising and consumption in 1988 and not before? Why did tobacco producers receive subsidies as late as 1986? Why did the tobacco manufacturers succeed in having the department of Health and Welfare negotiate in 1986 while it refused to negotiate with them in 1987? These questions need answers. The policy process, however, is not an easy and smooth process but a complex one, especially today, with the value shifts which have occurred and the different interests (from profit and non-profit oriented organizations alike) pressed upon the state. The process is complicated by the work and the strategy of hundreds of well-structured and complex organizations which have access to more resources through their interactions with other organizations - private and public - and wish to control public policies according to their interest. Thus, the policy process is not a simple matter of a dozen or so groups deciding among themselves what is «best for society» and asking legislators to

implement this consensus. Neither is it a process controlled solely by large organizations with enormous financial resources. This case study has shown the policy determination process as one in which several factors or elements contribute to the decision concerning the allocation of resources and social orientations.

State organizations have their own interests which they seek to promote by interacting with other organizations. Those interactions and interests are a source of struggle between state organizations. In this process some elements or features have more importance than others. One of the main answers provided by this dissertation to the above questions on tobacco policies is the part played by the anti-smoking organizations (David) as well-developed organizations able to mobilize different types of resources and to deploy them as well to gain the support of other organizations and individuals in order to confront the tobacco industry (Goliath) and its allies on the same footage.

The elements which we found to be the most important in the power struggle were the organization («the key collective unit of society») and its structure of the group; the resource mobilization and deployment process; and the interactions be-

tween organizations. As has been demonstrated, in the current power struggle organizations have access to different types of resources and the potential of those resources is not predetermined. One of the major thrusts of this thesis has been that financial resources are important but still other resources can function as substitutes. As we saw, the anti-smoking organizations made more use of technical, information and public mobilization resources than of financial ones. This actually forced the tobacco manufacturers to turn to public mobilization during the C-51 debate, to supplement their traditional sources of influence.

«Organizations» are another important element of the power struggle. It is the structure of the organization which allows groups to become more effective and which, in turn, is decisive in its capacity to make rational choices about strategies and the way it will deploy its resources. The expansion or transformation of a group's structure allows the group to perform new functions or to reach other organizations as was the case with the NSRA, the Canadian Cancer Society and the CCSH. Finally, we have proposed that interorganizational interactions are a key element in a group's capacity to control public policies. These interactions allow a group to penetrate the «boundaries» of other groups and to create the relationships needed to receive their support and to have them pooling their resources. As we

saw, interactions between public and private organizations are also very important in the policy process. Private organizations constantly look to state organizations to keep, to maintain or to have access to more resources in the way of subsidies, taxes, information, etc. This has been the approach of manufacturers in the past in order to moderate tax increases. Organizations also interact with the state to secure their access to state representatives and to enhance their visibility, so that in time of controversies they will be heard. Yet Health and Welfare did consult manufacturers before turning to regulation. State organizations are not neutral in this process. Their «largesse» can bring support for their own programs and policies. It can bring revenue or clients.

Throughout this dissertation we have exposed the strength of the tobacco industry and the success it had until 1984, when the anti-tobacco social movement began to gain strength, in keeping almost full control of its domain. The consolidation of the anti-tobacco social movement helped by the work of the Non-Smoking Rights Association and National Health and Welfare brought the downturn of the industry which was measured by the decline in the sale of cigarettes. Yet, the tobacco industry could count on its allies outside and inside the state to support its request for «laissez-faire» and to endorse its discourse on the overall profitability of the

tobacco industry. This approach worked until Health and Welfare succeeded - not without a great deal of effort - in convincing other state organizations to endorse its position on the effect of tobacco consumption and to ban tobacco advertising. The struggle which took place between C-51's first and last readings was one where the complexity of the current power struggle and policy process was clearly shown. Communities of interest, backed by the strength of their own organizations and their resources pressed legislators and the general public to listen and to endorse their position. Overall, the strength of the anti-smoking movement proved decisive, not because it had a «noble cause» but because it had enlarged its resources, worked effectively on mobilizing the public, succeeded in convincing opinion leaders and established strategic, which left nothing to chance. It followed the manufacturers' responses step by step. In other words it played the same «game» that the manufacturers had played over the years.

This thesis does not claim to have brought a new model or a new theory to the study of public policies and to policy determination. We believe the current complexity of the power struggle does not enable one to propose a «global» or final theory of policy determination. Notwithstanding this, we still believe the neo-pluralist paradigm has the most insight to bring to the study of policy determination

because it has an accurate sense of the possibility of groups to become effective. This approach has proved useful as it brought to light the importance of resources, the power of different types of resource and the role of interactions in the struggles that oppose organizations. It has enabled us to bring to light the struggle between state organizations in their attempts to impose their perspective and interest. The neo-pluralist approach has allowed us to follow the series of events that led to the change in policy implied by the adoption of Bills C-204 and C-51. We have, however, incorporated the social movement organization concept in order to better understand the importance of organizational resources in issues where oppose non-business interests face «powerful» business interest.

The modified pluralist approach has proved to be an insightful approach to explain public policies and important shifts therein.

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PM-1 3 1/2"x4" PHOTOGRAPHIC MICROCOPY TARGET
NBS 1010a ANSI/ISO #2 EQUIVALENT

PRECISIONSM RESOLUTION TARGETS

PIONEERS IN METHYLANE BLUE TESTING SINCE 1974

MICRO

4000 COUNTY ROAD 6, BIRMINGHAM, AL 35207 USA
TEL 205 426 7800 FAX 205 426 7801 TLA 00000000

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