The 1980 China Farmers Program: Shaping Canada’s Agricultural Relationship with China

Paul Sinclair*  
University of Regina

Dongyan Blachford  
University of Regina

André Magnan  
University of Regina

This paper discusses an early Canada-China agricultural exchange program which placed 12 Chinese farm representatives on Saskatchewan farms in 1980 for an entire crop cycle. We draw on archival material, interviews with participants, and focus groups to examine the origins of the program and the motivations and goals of different actors. Employing guanxi (Chinese social networks) theory, the study investigates a central contradiction in the program. While the project drew in the participation of regional government, higher education institutions, private business, industry associations, cooperatives and individual citizens, the program would lose energy after the first year. The paper looks for clues to both the development and demise of the Farmers Program in the practice of guanxi.

KEY WORDS: Agriculture, China, Guanxi, Saskatchewan, Social Capital

* Direct all correspondence to paul.sinclair@uregina.ca, Faculty of Business, University of Regina, Regina, SK., S4S 0A2, Canada
Since the mid-2000s, Saskatchewan, Canada’s “bread basket province,” has dramatically strengthened its agricultural relationship with China. One need only look at the trade figures: Saskatchewan shipped C$272 million worth of agricultural products to China in 2005; ten years later that figure had reached C$2 billion. Saskatchewan has launched several high-profile trade missions to China since 2010 with processing industry representatives, producer associations, and high-tech companies in tow. In 2015, Saskatchewan sold China C$224 million worth of flax, C$314 million worth of peas, C$2 billion worth of canola, along with C$705 million worth of potash (Government of Canada 2015). The Saskatchewan government has also solicited business moving the other way, increasingly using Chinese language promotional materials to tell would-be Chinese investors about Saskatchewan’s world-class potash, canola, wheat, and livestock industries (Government of Saskatchewan 2015; New Oriental Agriculture Development Ltd. 2015).

The growing trade relationship between Saskatchewan and China is touted as a success and often couched in terms of Saskatchewan’s role in “feeding the world.” After a 2013 trip to China, Saskatchewan Premier Brad Wall stated: “We have a growing middle class in these countries that have demands for increasing protein diets, which means they are going to be in the market for fertilizer. It means they’re going to be in the market for our protein, whether it’s meat or pulses” (Markewich 2013). Yet, China’s current agricultural relationship with Saskatchewan did not begin with high-profile trade missions or media announcements about beef, pork, and canola. In fact, the relationship began in the 1960s, when Canada began exporting large quantities of wheat to China when few other countries would. Later, in the 1970s, a small group of Saskatchewan cooperative farmers interested in Chinese collective farms initiated Saskatchewan–China exchanges that would have a significant impact on the relationship. In this article, we focus on some of the human-scale exchanges happening between Saskatchewan and China in the 1970s and 1980s, exploring the ways in which they shaped agricultural relations between the two countries, and ultimately global trade.

In particular, we focus on the story of the China Farmers Program (CFP), a program which placed Chinese farm representatives on Saskatchewan farms in the 1980–82 crop years. Our study draws on the correspondence and personal effects archived at the University of Regina of
The 1980 China Farmers Program

P.C. Hsieh, the chief middleman of the Farmers Program; lengthy interviews with one Chinese participant, Chang Chow, and one of the farm leaders, Ross Korven; and a focus group with 11 original program participants held on October 17, 2015 in Outlook, Saskatchewan. We attempt to understand an intriguing contradiction. On one level, the China Farmers Program was a success. The collaboration drew in the participation of regional government, higher education institutions, private business, industry associations, cooperatives and individual citizens. The program generated goodwill between the hosts and guests, creating enduring friendships and a promising professional network amongst host farmer alumni, and garnered plenty of positive attention in Saskatchewan’s news media. Yet, in other ways the program was a failure. Though the program ran for three years, from 1981 onward it was managed by the Saskatchewan government and the Potash Corporation of Saskatchewan without input from the original planners. In the process, the vision of the founders and the considerable efforts of families who had opened their homes to guests from the other side of the world were largely forgotten.

To understand some of the successes and contradictions in CFP, our study draws on academic literature on guanxi (networking behaviour in Chinese society), addressing the following specific questions. How did Saskatchewan’s agricultural interchange with China begin and how did it end? What motivated the collaboration and why did the program fail to achieve its original objectives or reach its potential? More importantly, can concepts from the practice of guanxi account to a certain extent for both the successes and failures of this program?

**Theory: Guanxi**

To understand some of the human dynamics of the CFP, this study deploys the concept of guanxi, a unique system of reciprocity, gift giving, and relationship building that has been associated with Chinese culture. However, we must first acknowledge that the western academy has long been interested in such human relationships cultivated for practical purposes, a phenomenon that has come to be called “social capital.” Indeed, many researchers who discuss social networks in the Chinese context also invoke the concept of social capital (Han et al. 2016; Huang et al. 2011). Thus, we begin our discussion with a brief overview of social capital theory before providing a rationale for our interest in the guanxi framework.
Social scientists developed the idea of “social capital” in the early 1980s to capture a simple but powerful idea: the social connections one forms can be translated into valuable resources (Bourdieu 1984; Coleman 1988). Portes (1998) defines social capital as “the ability of actors to secure benefits by virtue of membership in social networks or other social structures” (6). These benefits, as Bourdieu pointed out, could include economic resources such as subsidized loans, investment opportunities, and protected markets, drawing upon the knowledge of refined individuals and garnering credentials through association with prestigious institutions (Portes 1998). Indeed, the idea of social capital has been used widely by academic business researchers. Adler and Kwon (2002) cite studies suggesting that social capital strengthened supplier relations, regional production networks, and inter-firm learning; lowered turnover rates and organizational dissolution rates; encouraged entrepreneurship and the formation of start-up companies; and helped workers find jobs and firms to recruit workers.

The idea of social capital does not refer only to relationship building for access to material resources. Aside from material benefits, social capital helps to create intangible benefits such as trust, useful information, and lower transaction costs for members of a network. Most versions of social capital accept that actors develop social ties for self-interested, but not purely instrumental, reasons. For example Smart (1993) has argued claims and obligations flowing from social capital are normally not made explicit. In this sense, social capital is different from market exchange, debt, and the exercise of authority, where the credits and obligations of the parties involved are explicit. Thus, the actors involved in the CFP can be understood to have been building social capital. In the 1980s, few direct political or commercial relationships between China and Western countries had been established.

Yet there are compelling reasons to look to the concept of guanxi, not social capital, for our analysis of the China Farmer program. First of all, guanxi helps us situate the Farmers Program in its uniquely Chinese cultural and historical context; guanxi appears to be a uniquely Chinese phenomenon. Scholars have pointed out that while family and kinship networks in other collectivist societies in Italy, Israel, South Korea and Latin America powerfully influence the way these societies operate, guanxi plays a role unique to Chinese society (Gu, Hung and Tse 2008). Moreover, while guanxi has generated a substantial body of academic theory, the concept
began as practice, not abstract theory: the word *guanxi* belongs equally to the popular Chinese lexicon and to academic discourse. Researchers have drawn upon and refined *guanxi* as an academic concept in studies of Taiwanese rural social movements (Wang and Woods 2013), Hong Kong investors’ relationships with mainland China (Smart 1993), and relationships between Chinese bankers and state-owned enterprises (Gu et al. 2008). Indeed, the CFP fascinates us precisely because the Chinese participants appeared to have strikingly different ideas about relationship-building than those of their Canadian counterparts.

Researchers have pointed out that *guanxi* is deeply rooted in Chinese history, philosophy, culture, and geography, and a thorough analysis of the concept is beyond the scope of this article. Here we simply introduce a few cultural concepts which inevitably appear in academic discussions of *guanxi*. First, *guanxi* cannot be seen in isolation from Confucian social theory preoccupied with finding a harmonious secular order in the human-centered world. According to this framework, rather than isolated entities, human beings are social and interactive (King 1991). A first important concept is the notion of *renqing* which is a form of unpaid obligation which develops through the course of a series of exchanges when there is a reciprocal, substantive benefit which can arise from the exchange. *Mianzi*, or face, is an equally important concept. Once immersed in a network, *mianzi* is maintained through the reciprocation of favours; the possibility of a “loss of *mianzi*” motivates participants to keep the relationship current (King 1991). *Shehui dengji*, or social rank, is likewise related to *guanxi*. Deference to rank and title obedience and formal respect for superiors fortifies social ties by preventing a loss of face. *Renji hexie*, or interpersonal harmony, means that individuals privilege the *guanxi* hierarchy over interpersonal friction and individual agendas. Finally, membership in the network is not automatic. As a result, the concept of the *zhongjianren*, or intermediary, developed. The intermediary provides an introduction to the network, overcomes natural feelings of distrust and suspicion of strangers, and mitigates fraud and broken social contracts (Huang and Wang 2011).

Smart (1993) emphasizes the importance of long-term relationship building in *guanxi*. Participants in a *guanxi* relationship, although they are conscious of the material or social benefits they may derive from it, are expected to subordinate their short-term goals to “the cultivation of the relationship [which] creates a resource that can be utilized repeatedly over the long term.
Unlike many other resources, the more exchanges undertaken between exchange partners in *guanxi*, the stronger the relationship becomes, as long as sufficient reciprocity results on both sides” (Smart 1993).

We must not miss one further dimension of the *guanxi* concept: its indebtedness to Fei Xiaotong’s work and its fundamental relationship with agriculture. Trained as a sociologist at the London School of Economics under Bronislaw Malinowski, Fei Xiaotong would publish in 1939 a PhD dissertation entitled Peasant Life in China. Fei’s work was the first English-language study which sought to understand China through its complex social relationships. While he did not specifically mention *guanxi* as a concept, Fei talked about the concept of kinship (*jia*). To him, social relations in China were not unlike the concentric ripples produced when a rock is thrown into a lake; each individual stands at the centre of circles produced by his/her own influence (Fei 1948:62). Fei’s key insight for the purpose of our discussion here is the intriguing proposition that modern Chinese social relations were deeply rooted in rural life. “Chinese society is fundamentally rural,” he begins his treatise on Chinese society, *From the Soil* (Fei 1948). “Farmers are necessarily connected to the land, whereas herdsmen drift about, following the water and the grass, and are forever unsettled… [F]armers cannot move their land or the crops they grow. Always waiting for their crops to mature, those old farmers seem to have planted half their own bodies into the soil…” (Fei 1948: 39).

Fei’s theory thus raises the intriguing possibility that ancient rural culture and values may on some level shape interchange between regions and cultures already far removed from the soil. But more importantly, Fei’s ideas hint that the practice of *guanxi* goes deeper than merely individual ties. Chinese sometimes refer to “iron *guanxi*” (*tie guanxi*), a bond between people and groups that transcends any self-motivation. The bonds between family members, classmates, workmates, and soldiers all belong to this special kind of relationship.

How might *guanxi* shape real-life interactions? Reciprocity is crucial; obligations are matched with obligation. Thus, the modern form of *guanxi* has been associated with dining and gift-giving (Wong and Chan 1999). Yet many Chinese would reject the favour-for-favour conception of *guanxi* as a crass simplification (Huang and Wang 2011). Gift-giving is only one superficial manifestation of *guanxi*, they would argue, and a natural result of economically disadvantaged groups trading resources to get by. *Guanxi* is
instead a culture, a tradition, a habit, and a way of life practiced subconsciously. Principles of *guanxi* dictate that a network is built over a period of years, the cumulative result of a thousand miscellaneous contacts. Chinese participants in social interchange tend to divide their counterparts into categories such as family, friends, colleagues and countrymen, and then treat them as such. Rather than relying on complex legal frameworks, individuals operating in the *guanxi* environment are more inclined to rely on “classical contracting,” verbal agreements between people who trust each other. Rather than relying on published information, network members become adept at extracting information from the network. Principles of face-saving mean that potentially unwelcome information is delivered subtly and indirectly. Finally, and perhaps most importantly, the middleman role is indispensable in interactions with persons from outside the network because s/he has *guanxi*.

Indeed, the middle-man role has been institutionalized in Chinese society. In the Ming Dynasty (1368–1644), a group of middlemen called *maiban* developed who purchased supplies for the government. In the early 18th century, the word *comprador* was first used to describe the staff at the *cohong* who were licensed agents assigned to help foreign merchants. Compradors flourished around the mid-19th century. A United States Consul General report from Tianjin in the 1920s gives us a glimpse of how powerful the middleman class really was in China: “[The comprador] must guarantee the firm’s Chinese customers, advise as to market conditions, assist in obtaining business, and in general, act as a go-between and as the Chinese manager for the firm in its relations with the Chinese business public. The contract of the comprador generally allows him one-half of one per cent commission on all business done, based on the c.i.f. [Cost, Insurance and Freight] value of the goods sold (Journal of the Royal Society of Arts 1923). Intermediaries of this kind continue to play an important role in facilitating business relationships in modern-day China, serving as middle-men who both create trust among parties and have a “reputation for knowing how to get things done efficiently and promptly” (Smart 1993).

We conclude this section by observing that social capital and *guanxi* both describe networks of mutual acquaintance and recognition that have resulted from contacts and connections made via membership in a protected network. Like other researchers (Huang and Wang 2011), we view *guanxi*
The 1980 China Farmers Program

as a form of social capital. Meanwhile, both concepts have been praised and criticized, so we privilege neither one over the other. A substantial body of literature, for example, questions the ethics of guanxi, particularly in the context of business (Ang and Leong 2000), and some scholars of social capital note that it can have both positive and negative effects on individuals and communities (Portes 1998). However, we argue below that the Farmers Program was an anomaly given the social and political context of the time, and a program that aptly illustrates the powerful influence of guanxi. In the following section, we draw on guanxi theory to provide clues about the development and demise of this ambitious agricultural program.

Origins of the China Farmers Program

The CFP was launched in 1980 and ran for three years. Over the course of the program, 34 Chinese officials and several dozen Canadian farmers participated in yearly exchanges. In the words of the CFP’s sponsors, the Government of Saskatchewan and the Potash Corporation, the objectives of the program were “to learn and practice Saskatchewan dryland farming techniques (including the benefits of potash applications), to learn and practice English, and to generate goodwill between China and Saskatchewan” (Government of Saskatchewan 1987). In China, the Ministries of Agricultural Mechanization and State Farms selected the Chinese participants. The CFP presaged the rapid globalization of the Chinese economy and demonstrated the integral role the procurement of natural resources would play in China’s international strategy. At the same time, the CFP foreshadowed the communication difficulties China would encounter with its overseas partners. In what follows, we trace the origins and evolution of the CFP by examining the motivations of the program’s key architects, describing how guanxi was established through common ideology and interests, overlapping agendas, and diverse personal connections. We analyze the successes and failures of the program. In particular, we seek to understand why the program was so short-lived, and why it shifted away from its original design, which involved Saskatchewan families hosting Chinese guests.

The success of the 1980 Farmers Program depended on the guiding vision of two socialist Saskatchewan farmers. Ross Korven of Cabri, Saskatchewan became interested in socialism and China’s collectivist farms in the late 1960s (Korven, personal correspondence with authors 2015).
Korven connected with pockets of communist Saskatchewan farmers and left-wing intellectuals at the University of Regina. These new acquaintances eventually led him to the China–Canada Friendship Association in 1971, and ultimately to participate on a three-week tour of China in 1973. In China, Korven would see Holstein cattle on Chinese collective farms, watch several operations at the Norman Bethune International Peace Hospital, inspect the elaborate Red Flag District canal system Mao had created in Henan Province, and marvel at China’s massive bridges, ports, and refineries. Impressed by China’s modernization and feeling indebted by the hospitality he had experienced in China, Korven vowed to reciprocate to the Chinese people should the opportunity arise.

While Korven was an early farmer sinophile, the real architect of the CFP was Lorne Dietrick, leader of the Matador Co-operative Farm. The Matador was established in 1946 for war veterans by Saskatchewan’s socialist Co-operative Commonwealth Federation government. A founding member of the Matador co-operative, Dietrick would remain loyal to the farm and his socialist ideals about agricultural production even as the Saskatchewan countryside depopulated and farm politics underwent a radical shift to the right from the 1970s. After a visit to farms in China’s Inner Mongolia in 1976, guided by P.C. Hsieh (see below), Dietrick became convinced that agriculture was a mutual preoccupying interest for Saskatchewan and China. Like Korven, Dietrick waited patiently for an opportunity to deepen Saskatchewan’s engagement with China. Meanwhile, both Dietrick and Korven belonged to the Saskatchewan Federation of Production Co-operatives, Korven through a machinery co-operative and Dietrick through the Matador Co-operative Farm. The Saskatchewan Federation of Production Co-operatives would become an appropriate vehicle to administer the Farmers Program when the opportunity came.

Yet the Farmers Program could never have come to fruition without the energetic promotion of P.C. Hsieh, a Chinese expatriate who would play a crucial role as intermediary between Saskatchewan and China. P.C. Hsieh (1930–1997) was born in Linqing County in Shandong, China and moved to Taiwan in 1949. Academically talented, Hsieh attended the University of Pennsylvania on a Fulbright scholarship in 1959 after graduating from Taiwan University. While the US college environment provided an opportunity for Hsieh to further his education, the Cold War suspicion
toward China in academic circles soon became intolerable. Hsieh’s outspokenness would anger both the established political classes in the US and back in Taiwan, and prevented him from bringing his wife to the US. Impressed that Canada had sold wheat to China in 1961 over the protests of the US, Hsieh moved to the University of Regina in 1965 to take up a position in the history department. Once established in Regina, Hsieh would help establish the China–Canada Friendship Association in Saskatchewan in 1971, and spend his career cultivating high-level contacts in the Chinese and regional Saskatchewan governments and promoting interchange between Saskatchewan and China (Yang 2000). Hsieh understood that the Chinese would immediately think of agriculture when they thought of Saskatchewan so he threw his energy into guanxi-building in the agriculture sector.

Hsieh, Dietrick and Korven developed a plan whereby Chinese trainees would come to spend an entire crop cycle on Saskatchewan farms in 1980. The program had three broad features: Hsieh would use his considerable government connections in China to find the farmers who would travel to Canada. Dietrick and Korven, in cooperation with their network in the Saskatchewan Federation of Production Co-operatives, would find the host farms and look after the Chinese farmers. The Saskatchewan government would subsidize everything and potentially develop a massive new market for its agricultural products. “What we have been discussing,” Lorne Dietrick informed then Saskatchewan Attorney General, Chair of the Potash Corporation, and government power broker Roy Romanow late in 1979, “is a program where practising farmers from the regions in China which have very similar conditions, spend some time living and working on farms here in Saskatchewan. To see the machines we use, the crops we produce, our farming methods, our grain handling and storage systems, livestock production with it’s [sic] many ways in which we feed and store our forage crops, etc. Our Chinese friends are very interested in this type of program….,” (Dietrick, letter to Roy Romanow 1979). The letter goes on to suggest how the program could contribute to the development of Saskatchewan’s grain exports as well as its farm machinery industry. Dietrick requests the government’s co-operation, including funding for the exchange.

The program fell into place quickly in late 1979. While Korven’s and Dietrick’s network of socialist farmers was not large enough to place all the
The 1980 China Farmers Program

trainees on socialist-leaning farmers’ farms, plenty of other farmers pursued by Korven and Dietrich were interested by the offer of free farm labour for a crop cycle. In the end, about half the trainees were placed with Korven and Dietrich’s personal contacts, and half with other farm families (Host farmer, correspondence with authors 2015). Twelve farmer trainees would arrive in Saskatchewan in April 1980 and stay until after the crops had been harvested. As part of the deal, host farmers were promised a trip to China; the Potash Corporation would donate $10,000 to help subsidize the trip in April, 1981. The Potash Corporation funded the Farmers Program for three years, donating $40,000 for the first year, $80,000 for 1981, and $120,000 for 1982.

The program did not always proceed smoothly. The Chinese wanted something very specific from the Farmers Program. The Central Committee of the Chinese Communist Party had met in December 1978 and decided to replace the agricultural commune system with a contract responsibility system. The new system linked farmer income to crop output and gave farmers control over the inputs they bought and the technology they used (Niu 1987). The changes had not only unleashed unprecedented growth in farm production, but made the need for more advanced agricultural technology acute. In the Chinese-language letters Hsieh received in preparation for the Farmers Program, the Ministry of Agricultural Machinery repeatedly mentioned the Chinese desire to send trainees to machinery factories and to the Canada Farm Progress Show (Ministry of Agricultural Machinery, letter to P.C. Hsieh 1980). While the trainees would make several visits to a potash mine and participate in the Canada Farm Progress Show—a farm machinery exhibition in the provincial capital, Regina—the trainees spent most of their time engaged in the back-breaking labour of a farm in the summer (Host farmers, correspondence with authors 2015).

Meanwhile, at least some of the trainees resented the nature of the work: One host farmer recalled her trainee being very indignant about being asked to run a hand-operated garden tiller (Host farmer, correspondence with authors 2015). The hosts, on the other hand, realized only gradually that they were billeting promising young talent from government offices, not farmers. While it may have seemed odd to the Saskatchewan host families that the Chinese had not sent individuals with real experience working the fields, it must have been even more difficult for the Chinese to
The 1980 China Farmers Program

accept that the Canadians expected their guests to engage in farm labour. Despite the Chinese social hierarchy (shi-nong-gong-shang) that traditionally placed scholars first, farmers second, artisans third, and merchants last, farmers have enjoyed a relatively low status in Chinese society. Indeed, the Chinese word for farmer (nongmin) doubles as the word for “peasant.” From this perspective, sending actual farmers to live with their Canadian hosts was an option the Chinese would not have seriously considered. Instead, the Chinese sent bright, promising, young ministry officials who could be counted on to glean the information the two Chinese ministries needed most from Canada.

This mutual misunderstanding about the role of the trainees persisted throughout the program. For some Canadian hosts, the visitors’ lack of hands-on farming experience proved to be more than inconvenient. Ross Korven summarized the cost to hosting his farmer in the following way:

We let [our farmer] do things, thinking it was the best way to learn. I will list some of the things that cost us money… .

1. Backed over the back furrow wheel of the discer, about $300.00.

2. Truck rolled over an embankment, $200.00.

3. Broken axle on big truck during combining, $400.00.

4. Backed over trees.

5. Backed over fences.

6. We had many close calls—like the truck powering out on a steep hill with a load of wheat on.

7. Trying to go up onto the grid road on the angle with a full load of wheat.

These things gave us many anxious moments but farming does not come easily to [our trainee] as he is a city boy, born and raised in the city. People who are brought up on a farm have common sense and this is difficult for some people, not only our Chinese friend. (Korven, personal letter to host farmers 1980)
The 1980 China Farmers Program

Results from our focus group with host farmers who participated in the original 1981 program suggested that the participants were able to get beyond the initial difficulties. Host farmers fondly recall the initial struggles to communicate, eat, and share quarters with their trainees and still speak of the bonds that developed with their trainees and the hospitality they received on their return trip to China. Many participants frankly state the Farmers Program changed their lives (Host farmers, correspondence with authors 2015).

Guanxi and the China Farmers Program

The development of the Farmers Program can be understood at two distinct social scales. On the one hand, the program involved the development of new ties among high-level officials for the purpose of stimulating economic and technical exchange. On the other hand, the program operated on a more interpersonal scale, notably through exchanges among Saskatchewan farmers and Chinese trainees. The different motivations and objectives operating at each of these scales, we argue, led to the failure of the program to reach its full potential. We examine some of these tensions and contradictions through the lens of guanxi.

It is first important to understand Saskatchewan’s motivations for engaging with China during this period. A 1969 report commissioned by Canada’s agriculture minister, Agriculture in the Seventies, offers some clues. The study outlined a litany of structural problems with Canadian agriculture, particularly with the wheat sector. Technological development had dramatically improved productivity around the world, which led to problems of excess capacity and depressed commodity prices. Economic planning and agricultural development had led to rising levels of food self-sufficiency in developing countries like India, Pakistan, Mexico, and the Philippines. Subsidies, tariffs, and trade agreements, the report warned, were interfering with principles of supply-demand and competitive advantage in familiar markets, and farmers were incentivized to sell commodities for which there was no longer robust demand (Government of Canada 1969). In 1979, Saskatchewan agriculture faced the same intractable, ongoing problems, except everything was worse. Canadian farmers, most of them from Saskatchewan, had grown about 25 million acres of wheat that fall, knowing that the carry-over would be about 14 million bushels (Agriculture Canada 1979). Meanwhile, in May of 1979, Saskatchewan
farmers watched the US Department of Agriculture drive the price of wheat down just as it was on its way up: the US announced loans against the farmer-held reserve could be redeemed because the national average farm price had exceeded the initial release price of the reserve. In short, by the late 1970s, Saskatchewan not only needed new markets, it needed new products to sell.

Saskatchewan’s potash industry found itself in a parallel difficulty. Saskatchewan only overcame the technical difficulties and financing challenges of potash mining in 1962, twenty years after potash was discovered. But by 1964, there was already trouble with the markets. Two-thirds of Saskatchewan production was going to the United States and cheaper, increasingly efficient production was threatening producers in New Mexico. As early as 1967, the US Senate was considering introducing a bill to restrict all imports of potash to 25 percent of US consumption and the House of Representatives introduced a bill to levy an 8 percent duty on potash imports. Anti-dumping charges were leveled at potash importers (Burton 2014). In the 1970s, Saskatchewan desperately needed new international markets for its potash, and China was already in its sights.

These factors help explain why the Potash Corporation, then a government-owned corporation, was willing to invest in the China Farmers Program. Through initiatives such as this one, the Potash Corporation, and Saskatchewan government officials more generally, sought to establish a foothold in a potentially massive market for agricultural fertilizer. Use of chemical fertilizer had grown by about 35 percent per year in China from 1949 to 1967, but the North American potash industry was quick to observe that the increase was mainly in nitrogen. The potash industry made early promotional trips to China. Kenneth Pretty, then vice president of the Potash Institute of Canada, would lecture in China in 1972–73 about the values of potassium as a fertilizer, a trip which coincided with the initial delivery of Canadian potash to China in 1973 (Pretty 1993). The Saskatchewan government had put its political muscle behind these efforts: Saskatchewan Premier Allan Blakeney visited China in 1976 to share the benefits of Saskatchewan potash.

Moreover, when the Farmers Program proposal came across his desk, Attorney General Romanow was also the Chairman of the Board of the Potash Corporation, and he had just been to China selling potash in 1979. On his 1979 trip Romanow would have been told all about the reforms
instituted by Deng Xiaoping in 1978, which had started China’s agricultural modernization and given farmers the ability to decide what inputs to use on their crops. Romanow would have been keenly aware that less than 5 percent of potassium needs were furnished through non-organic means (Pretty 1993). Indeed, documents from the Farmers Program make the priorities of the government and the potash industry clear. In a letter of January 18, 1981, Steve Dechka, then Special Assistant to the Potash Corporation’s general manager, and later the CEO of Canpotex, the marketing arm of the Canadian potash industry, would tell Lorne Dietrick that he was pleased to offer $10,000 to support the trip back to China by the host farmers. He adds: “We would appreciate your providing us with a report on your visit subsequent to your return. We would also hope your group will give PCS Sales due recognition where you feel it appropriate” (Dechka, letter to Lorne Dietrick 1979).

In reality, using the Farmers Program to promote potash and machinery sales achieved few of the government’s original objectives. One Chinese trainee would make several buying missions to Illinois-based John Deere to facilitate the Chinese purchase of large-horsepower tractors, but there are no records of Saskatchewan tillage equipment or other farm machinery sales through the CFP. Even though by the end of the 1980s, Saskatchewan served between one half and three quarters of China’s potash market (Government of Saskatchewan 1987), Saskatchewan served only 16 percent of China’s total potash import market volume in 2014 (UN Comtrade Database 2015). And the Canadian potash industry now has a much different relationship with Chinese farmers. Manipulations and cartel behaviour in the global potash industry created tremendous resentment with Chinese fertilizer users and fertilizer associations (Zhongguo Maoyibao China Trade News 2013). The Potash Corporation, privatized by the Saskatchewan government in 1989 (and thereafter known as PotashCorp), now owns 22 percent of Sinofert, the agency which monopolizes the import of potash to China and 9 percent of the Qinghai Salt Lake, China’s most important domestic potash development.

Above, we explained how Saskatchewan government and corporate officials focused on the result they wanted to achieve through the China Farmers Program, essentially pursuing instrumental economic goals. An alternative but equally compelling story of the program’s development can be told from the perspective of the human-scale dynamics through which
The 1980 China Farmers Program

the program was planned and implemented. We draw on three central aspects of guanxi—patient, long-term engagement, renqing (unpaid obligation), and zhongjianren (intermediary/middleman) mediation—to understand this side of the Farmers Program.

First, while the CFP seemed to present itself as a sudden business development opportunity in 1979, Canadians had already built considerable guanxi with China. Norman Bethune (1890–1939) was an idealistic Canadian doctor who, after fighting on the frontlines of the Spanish Civil War, left for China on January 8, 1938 to provide medical aid in the Communist resistance against the Japanese. He would develop a strong bond with Mao Zedong when he met Mao in a cave in Yan’an in March 1938. He tirelessly attended wounded soldiers and malnourished civilians until he died of blood poisoning on October 28, 1939 (Wilson 1999). Mao’s admiration for Bethune found its way into Chinese public education and influenced the way Chinese viewed Canada as a country. Thus, Saskatchewan government officials travelling around China selling potash in the late 1970s would have been surprised to discover Bethune’s reputation even with Chinese who had received little public education.

Saskatchewan had inadvertently built its own guanxi with China. On May 2, 1961, Saskatchewan Member of Parliament and federal agriculture minister Alvin Hamilton (1912–2004) announced that the Canadian government had completed a deal to sell China 187 million bushels of Western Canadian wheat and 47 million bushels of barley to be delivered by the end of December 1963. Furthermore, he arranged for the Canadian Wheat Board to grant C$100 million in credit to the China Resources Company. The deal generated considerable opposition from Hamilton’s own cabinet colleagues and protests from the US agriculture minister (Kyba 1989). Hamilton was later told by a Chinese official: “Our pride was rudely shattered by the weather difficulties of 1959 to 1961. We had to slow down our ‘Big Leap’ forward in industrialization... Just at the moment when we were in the midst of this tremendous national effort thinking we had no friends, you came selling wheat” (Kyba 1989).

To understand the sentiment which drove some of these long, ongoing guanxi relationships built into the CFP, we turn our attention to the concept of renqing, the sense of obligation for past favours. Fei Xiaotong explains in From the Soil that living intimately with kinsmen over long periods of time in Chinese villages made people very interdependent and made it impossible
to keep track of favours offered and received. Someone owing a favour will look for a chance to return an even bigger favour, thus ensuring an ongoing reciprocation. To settle accounts with someone (suanzhang) meant that the relationship was over (Hamilton and Wang 2011). The ongoing demonstration of respect shown for Bethune and Hamilton is one example of the way in which the Chinese saw their relationship with Canada through a long-term lens. In 1972, Chinese officials even took representatives of Canada’s first trade mission to China, including foreign affairs minister Mitchell Sharp, to Shijiazhuang, home of the Bethune International Peace Hospital (Government of Canada, 2011).

The activities of P.C. Hsieh perhaps best show the myriad, indirect favours performed through renqing. Most of the promising Taiwanese students and researchers who moved to the US in the 1960s supported Taiwan’s republican government in its vehement condemnation of mainland China. Hsieh, on the other hand, would stand up for China in many tense political discussions at the University of Pennsylvania regarding US-China tensions over Taiwan’s sovereignty and Tibet’s independence. Once in Regina, Hsieh would band together with other academics in Canada to petition the Canadian government for the normalization of relations with China. China would reward Hsieh for his sacrifices in many ways. There were big gestures, such as when the first Chinese foreign ministry arranged for him to visit China with his family for several months in 1972. But there were also many small rewards, such as the co-operation of the Ministry of Land Reclamation and Ministry of Agricultural Machinery with Hsieh’s bold plan for a China Farmer’s Program (Yang 2000). Ross Korven would travel all over China with Hsieh and would have this to say about Hsieh’s renqing: “I was careful what I asked that guy to do for me. I knew that if he ever did me a favour, he would come back asking for something else” (Korven, personal correspondence with authors 2015).

China institutionalized this system of mutual obligation with foreign friends in a very unique way: the “friendship society.” On the surface the “friendship” society was just what the name implied. The Chinese People’s Association for Friendship with Foreign Countries (CPAFFC) was founded in 1954 to carry out a broad range of friendly, people-to-people diplomatic activities such as exchange delegations and commemorative activities, as well as seminars, talks, and forums designed to create mutual understanding and trust between China and its foreign friends. In reality, the friendship
societies were an important way to reach and reward individuals like Hsieh, people who were willing to engage China outside the confines of the bitter ideological struggles of the Cold War. P.C. Hsieh would recognize the reach of the friendship associations early on, establishing the China–Canada Friendship Association in Saskatchewan in 1971, which laid the foundation for the national friendship organization and the Chinese Cultural Society of Saskatchewan (Yang 2000). Hsieh would use this guanxi built through the friendship association in Saskatchewan to arrange agricultural trips to China for Ross Korven in 1973 and Lorne Dietrick in 1976.

The third important guanxi component of the CFP was the zhongjianren (middleman) role played by Hsieh. While Fei Xiaotong does not emphasize the role of the zhongjianren in Chinese society, he certainly establishes the need for such an intermediary. Chinese society is based on consanguinity (xueyuan), or bloodlines, he notes. Thus a farmer’s son becomes a farmer, a merchant’s son, a merchant, and so on. In time, these blood bonds tie groups of people to certain geographies. Once clans had become large enough that they could no longer subsist on a given amount of land, the lineage segment would transplant itself to new land not yet cultivated where a new village would form based on ties of kinship. This arrangement, Fei pointed out, made it all but impossible for outsiders to simply melt into the group, even in foreign lands. Meanwhile, the notions of “guests” (visitors who were welcome but not part of the group) and “strangers” (visitors from outside the group who are not welcome) take on a particular salience (Hamilton and Wang 2011). Other researchers interested in guanxi have built on this in-group/out-group distinction, emphasizing the crucial role of the zhongjianren in gaining initial access or introduction to future connections (Huang and Wang 2011) or getting help and resolving disputes (Chen and Chen 2004). Smart (1993) also underlines the importance of intermediaries in his case study of Hong Kong investors’ activities in mainland China, noting that the investors used intermediaries who had connections to local fixers (Smart 1993).

P.C. Hsieh was a skilled intermediary who mastered the art of establishing relationships and utilizing them in a timely way. Relentlessly expanding his network in mainland China and carefully cultivating allies in the Saskatchewan government and university bureaucracy, by 1980 Hsieh already had a formidable set of connections. He had a close enough relationship with Wang Tong, then ambassador to Canada, that Wang...
could connect him with officials from the Ministry of Agricultural Mechanization and the Ministry of State Farms and Land Reclamation. He had a direct working relationship with one of the Saskatchewan government’s power brokers, Attorney General Roy Romanow. In Lorne Dietrick, Hsieh had a friend who was sophisticated enough to engage with government officials but with the grass-roots connections necessary to engage farmers who had to be talked into participating in the program through the prospect of extra help during the seeding and harvest seasons. The “middleman,” Hsieh’s activities demonstrated, knows the needs and wants of each respective party and leverages this knowledge to provide what each party wants.

The middleman maneuvering in the Farmers Program proved complex. The Saskatchewan government primarily wanted an opportunity to sell Canadian potash, farm machinery, or agricultural technology. The two Chinese ministries wanted to send technicians to Canada to learn about agricultural machinery technology. Korven and Dietrick had both visited China amidst China’s Cultural Revolution and could envision friendship flourishing based on principles of co-operative farming they had witnessed. Other farmers were attracted by the promise of free labour during seeding and harvest months. Thus, Hsieh could tell the government about China’s interest in potash, but ask the PotashCorp to subsidize the host farmers’ trip to China post-harvest. He could promise the two Chinese ministries ample opportunity to learn about Canadian machinery, neglecting to mention the hard work which awaited all twelve trainees. Hsieh would assure Dietrick and the farmers that they would have enthusiastic labourers to work on their farms, neglecting to mention the ministry promised to send technicians (jishuyuan), not farmers (nongmin, or peasants, in Chinese), and had showed little enthusiasm about farm work as a learning experience for its trainees. The consummate middleman, Hsieh did not appear bothered by the inherent tensions built into the CFP.

In the end, the Farmers Program lasted only three years. After the first year, the coordination of the program shifted out of the hands of Hsieh, Dietrick, and Korven, and would be taken over by Saskatchewan government officials. The following note by Robert Weese, Executive Director of Constitutional/International Affairs, dated February 18, 1981, to Hsieh captures the change:
I am glad to inform you that the Chinese farmers program will continue in 1981. Our government has agreed to train twelve young farmers from China for a six month period on Saskatchewan farms, hopefully from April to October, 1981. We have communicated this message to the Ministry of State Farms and Land Reclamation and have already begun to make arrangements for the 1981 program. (Weese, letter to P.C. Hsieh 1981)

While the note implicitly acknowledges Hsieh’s integral role in the Farmers Program, it rings strange. Hsieh had spent years building guanxi with officials in China, with the Chinese ambassador to Canada, and with everyday Saskatchewan people involved in the China Friendship Association; yet here Weese appears to be telling Hsieh that planning for the next year of the program was proceeding without Hsieh’s intermediary services. Had Saskatchewan simply “gone around” the middleman? It appears so: despite their sacrifices for the Farmers Program, the farm hosts from the 1980 program were never contacted again about their hosting experiences and the Federation of Production Co-operatives was never formally acknowledged for its coordinating role (Korven, personal correspondence with the authors 2015). Indeed, there is no mention of the second and third years of the Farmers Program in Hsieh’s personal effects archived at the University of Regina.

Was the CFP a success or a failure? In some respects, the program achieved the results the Saskatchewan government wanted. By 1983 a full-scale Saskatchewan potash program was underway in southern China fields complete with demonstration plots, farmer group meetings, and harvest field days which attracted up to 6,000 people (Pretty 1993). The China Farmers Program had clearly laid the groundwork for direct engagement with Chinese farmers interested in putting Canadian potassium on their fields. In the end, however, the program managers moved the program beyond the reach of the agents who had made the program possible in the first place: curious farmers, teachers, researchers, and bureaucrats.

Conclusion
The Farmers Program began as a progressive experiment that brought together regional and federal governments, higher education, industry, cultural associations, and ordinary citizens. Yet we argue the program did not ultimately create lasting social and economic co-operation between Saskatchewan and Chinese people, at least in the way its original proponents
The 1980 China Farmers Program

conceived it. We know now that changes in rural China in the 1980s were so profound they would transform the Chinese economy and the global one along with it. What might have been the outcome if the program had lived up to its initial conception, by farmers like Korven and Dietrick, to provide a means of farmer-to-farmer exchange across cultures?

Other equally interesting questions remain. For example, was Hsieh a help or a hindrance to the China Farmers Program? Hsieh’s middleman machinations selectively kept details of the program from key stakeholders, a practice which probably alienated other stakeholders in the program. Hsieh may have been beyond his depth when he attempted to get between deals involving China and Saskatchewan’s regional government and its ambitious potash industry, we might easily think. But our careful examination of principles of guanxi in this article suggests otherwise. Guanxi, particularly the “iron” type, dictates acquaintances make sacrifices and commit to their Chinese counterparts for the long term, not just when it is convenient. In guanxi arrangements, those who forget or go around the original guanxi relationships are punished with a loss of access to the network. Saskatchewan officials may have made a mistake by excluding P.C. Hsieh from a coordinating role in the program after the first year.

In the end, the Farmers Program fascinates us on two levels. While the expansion of agricultural products into distant markets may be driven by decisions made in corporate boardrooms, there have always been adventurous middlemen and enterprising farmers who strike deals out in the fields, at least figuratively. Archived documents from the Farmers Program provide intriguing insights into one such grass-roots interchange. The Farmers Program also shows two civilizations brushing up against each. Chinese agriculture in the 1970s bore the handprint of both 5,000 years of agricultural tradition and the collectivization of the Mao era. Saskatchewan agriculture in the 1970s was the product of a Western European settler tradition, oriented toward global markets, but carried on in relative isolation. Now that China has taken its place as a global agricultural superpower, the two traditions are becoming easier to compare.

In closing, our article points to several fruitful future avenues of study. Our study drew on Fei’s work in the 1940s which posits that guanxi behaviour has its roots deep in China’s traditional rural societies. Indeed, Fei’s ideas imply that modern Chinese society blossomed out of the experience of millennia of villages and farm household economies. Further
studies about guanxi behaviour may choose to explore this intriguing connection with agriculture. Meanwhile, we note above that changes in China’s village economies at the end of the 1970s had already begun to impact the province of Saskatchewan by 1980. More recently, Chinese farmers and agricultural entrepreneurs have arrived in Saskatchewan, this time bringing with them capital, advanced processing technology, broad industry networks back in China, and plenty of new ideas about how to do things. Research on these trends must pay attention to the cultural, social, and interpersonal dynamics of the agricultural linkages between Saskatchewan and China.

References

The 1980 China Farmers Program

...
The 1980 China Farmers Program


