♦ **Something to Think About**

What do you think of the apparent attempt by the Ontario government to rein in the Foundation and discourage it from "inappropriate" funding activity? Isn't it reasonable to expect a government to balk at funding groups which attack its actions?

Yes, it is understandable that governments might act in this manner, as they have in other jurisdictions as well. But as a former board member of the Trillium Foundation has pointed out, "many of the organizations who work on behalf of the most vulnerable in our society have no choice but to be advocates.... So banning funding for advocacy groups is a very effective way of shutting down the only voice of the most vulnerable."[35]

## Pressure Group Activity

Pressure groups are by no means new to Canadian politics and Pross notes that even in pre-Confederation days it was common for groups to lobby authorities in Britain or France for public policy concessions that would advance their interests.[36] They have now become so prominent, however, that according to Jeffrey Simpson,[37] modern politics is interest group politics, "a giant bazaar where parties try with increasing desperation to satisfy interest groups which, by definition, have a stake in being dissatisfied."

A number of factors encouraged the proliferation of interest groups.

The diversity of Canadian society contributes to the proliferation of interest groups, and our federal system of government stimulates the organization of interest groups on various levels to apply pressure on several fronts. In addition, our parliamentary system of government provides multiple contact and pressure points,

[35]Pauline Couture, quoted in *ibid.*

[36]Pross, *op. cit.*, p. 20.

[37]Jeffrey Simpson, *Globe and Mail*, September 5, 1990, quoted in *ibid.*, p. 1.





further encouraging the development of pressure groups.[38] Moreover, operating departments have often found it useful to forge alliances with outside interest groups (and even to encourage and foster their development). These links have provided helpful allies when the departments need to defend their programs and budgets, especially with the cutback mentality which has prevailed in recent years.

Whatever their other purposes, these groups do provide a vehicle through which citizens can participate in public affairs. Many Canadians are disillusioned with political parties, which seem to avoid taking a clear stand on the issues that concern them, or reverse that stand when it suits their purpose. In contrast, interest groups—almost by definition—have clearly defined objectives which are pursued in a more consistent fashion. By joining groups which advocate positions similar to their own, individuals feel able to participate more effectively in society. Pross takes the view that the competition provided by pressure groups is not the problem; rather it is a symptom of the decline in the policy role of political parties and of our elected representatives.[39] This view would suggest directing efforts to improve our governing institutions rather than to restricting pressure groups.

The existence of widespread pressure groups is central to the pluralistic view of policy making, which sees government decisions essentially emerging as a result of the interaction of these groups and their demands. Not all Canadians belong to groups, however, and not all groups have equal resources or equal access to government. In particular, the poor and the less educated are much less likely to join together in concerted efforts to influence government action. In the classic words of E. E. Schattschneider, "the flaw in the pluralist heaven is that the heavenly chorus sings with a strong upper-class accent...."[40]

Many believe that the front row of that chorus is occupied by business leaders and corporations. They certainly have the resources to

[38]These explanations for the prevalence of pressure groups are provided by Guy, *op. cit.*, p. 292.

[39]Pross, *op. cit.*, p. 16.

[40]E. E. Schattschneider, *The Semi-Sovereign People*, New York, Holt, Rinehart and Winston, 1960, p. 35.

promote their point of view, and they appear to have ready access to government as well. The fact that so much of the funding for the Liberal and Progressive Conservative parties has come from business has certainly helped to ease that access. A recurring theme in this Guide is the strong influence exerted by the business community over the economic policies and objectives pursued by our governments.

A number of business or business-backed organizations exert considerable influence over government.

Particularly influential are a number of business-backed "think tanks" which purport to offer research and recommendations on public issues, but which do so from a markedly right-wing, pro-business perspective. Leading the list is the Fraser Institute, which has been unceasing in its attacks on government interference in the market economy and in its promotion of the importance of freeing society so that people can pursue wealth. The C. D. Howe Institute claims to be less ideological than the Fraser Institute, but it has been very influential in emphasizing the dangers of Canada's public debt and the need to cut social programs. One of its studies, calling for the elimination of inflation as a top government priority, was used by the government and the Bank of Canada to justify the harsh zero inflation policy pursued by the Bank in the 1980s and discussed in Chapter 10.[41]

Another prominent player has been the Business Council on National Issues (BCNI), headed by Tom d'Aquino, which was very effective in promoting the free trade agreements with the United States and Mexico. The extent of the influence wielded by this body, and its leader, became the subject of a series of amusing—if not terribly revealing—media reports in 1998. Allan Fotheringham sparked the debate in his regular column in *Macleans*. According to Dr. Foth, Peter Newman's new book, *Titans*, contained quotes from an interview with Tom d'Aquino in which he took credit for an extraordinary degree of influence over the policies pursued by the federal government, under both Mulroney and Chrétien. If one is to believe Fotheringham quoting

[41]For a highly critical discussion of the role played by these and other business organizations, see Murray Dobbin, *The Myth of the Good Corporate Citizen*, Toronto, Stoddart, 1998, especially Chapter 8.



Newman quoting d'Aquino, the latter met Mulroney while out for a stroll one day and talked him into supporting free trade, and then in 1993 met with newly elected Prime Minister Chrétien for three hours and convinced him to implement the BCNI's agenda. Veteran political commentator Dalton Camp, who was in the Privy Council Office during part of the Mulroney period, offers a tongue-in-check rejection of this interpretation of events.[42] According to Camp, d'Aquino is a mild, unassuming, humble, dutiful servant to the free enterprise system and the Canadian way, and, as the best dressed lobbyist in Ottawa, is not the kind of person who runs countries on the sly. Camp expresses doubt that either d'Aquino or Chrétien is responsible for the Liberal policies of the 1990s, suggesting instead that it might be Paul Martin or a reporter for the Wall Street Journal!

It should be noted that there are those who argue that business groups don't have nearly as much decisive influence as is usually attributed to them. They face competition from other strong groups, representing the interests of labour, the environment, consumers and others. The Canadian Centre for Policy Alternatives and the Caledon Institute of Social Policy, for example, both provide effective critiques of the business agenda and make the case for strong social programs. The Council of Canadians, headed by Maude Barlow, has provided a strong voice against what it perceives as the excesses of the business agenda and the dangers facing Canadians from such developments as the free trade agreements and the proposed MAI (Multilateral Agreement on Investment).[43] In addition, as discussed in Chapter 7, the Charter has shifted some power in our system to interests and groups which had previously been relegated to the sidelines, but which now can use the courts to pursue their objectives. Competition between political parties and the need to appeal to the general public are also felt to prevent businesses from "having their way" with governments. The fact that some government policies are adopted over the strong objections

[42]See Dalton Camp, "Snappy dressers like d'Aquino don't run countries," *Toronto Star*, December 30, 1999, on which this section is based.

[43]All three of these bodies maintain extensive web sites which are, respectively, *www.policyalternatives.ca*, *www.caledoninst.org*, and *www.canadians.org*.

of business is cited as further evidence that business influence has been overstated.[44]

In this regard, the unsuccessful merger efforts of Canada's big banks provide an interesting example. Finance Minister Paul Martin rejected the merger plans of the Royal and the Bank of Montreal and of the Toronto Dominion Bank and CIBC in December 1998. On the surface, this action would appear to demonstrate that even such large business interests as the banks represent don't necessarily have their way with government.

**Don't Bank On It**

However, it is widely believed that other factors explain this particular government decision.[45] For one thing, the banks badly mishandled the whole issue, by announcing their merger plans—and forcing Martin's hand—before a government study on the banking sector had been completed. Second, Martin has taken a tough line on government spending, including social spending, in his successful quest to balance the federal budget. It is plausible to see his rejection of the banks as a way of softening his image, of demonstrating his concern for ordinary Canadians. At the same time, by leaving the door open for the banks to apply again in the not-too-distant future, Martin need not lose the Bay Street (big business) support which he would also like to retain. If these speculations are valid, the bank merger rejection may have more to do with timing and political strategy than with the extent of business influence over government.

## Lobbyists at Work

Further insight into a number of issues discussed above can be seen from an examination of the activities of the tobacco lobby in response to government efforts to ban tobacco advertising. When legislation was

[44]For a very good discussion of both sides of this issue, see the articles by William Coleman and W. T. Stanbury in Mark Charlton and Paul Barker (eds.), *Crosscurrents: Contemporary Political Issues*, 2nd Edition, Scarborough, Nelson, 1994, pp. 336-363, on which the above summary is based.

[45]This discussion is based on William Walker, "Why Martin will say no to banks," *Toronto Star*, December 13, 1998.





first introduced in 1987, the tobacco manufacturers hired a prominent lobbyist, Bill Neville, to work on their behalf, and mounted a campaign of newspaper advertisements and direct mailings. Various health groups, including the Canadian Medical Association and the Canadian Cancer Society countered with their own campaigns, including black-edged post-cards to MPs to symbolize the cancer-related deaths in their ridings.[46] Rather than trying to kill the legislation, the tobacco lobby concentrated, successfully, on delaying its passage for a considerable time. Moreover, when the Tobacco Products Control Act was passed in June 1988, opponents appealed to the Supreme Court which ruled, in 1995, that the Act was unconstitutional because its nearly total advertising ban violated the tobacco industry's right to free speech.[47]

When the Liberal government announced plans to introduce new legislation to control tobacco advertising in the spring of 1996, those in the tobacco industry employed several tactics.[48]

- They hired influential former civil servants, including chiefs of staff to two former Prime Ministers, for advice on making their case.
- They hired professional lobbyists with Liberal connections to lobby the public service and the office of the Minister of Health.
- They helped to establish and to fund an alliance of arts and sports groups, which had become dependent on millions in annual cigarette sponsorships for their events, to lobby politicians.
- They pointed out that economically depressed Montreal, home to the country's largest tobacco company and site of many cigarette-sponsored festivals, would be hard hit by the government's plans.
- They even found a national unity link, reminding the government that the President of Imasco (Imperial Tobacco), one of Québec's leading companies, is a strong federalist voice in that province.

[46]This discussion is based on Robert Jackson and Doreen Jackson, *Canadian Government in Transition*, Scarborough, Prentice-Hall Canada Inc., 1996, p. 238.

[47]*Ibid.*

[48]The description of this round of lobbying is based on Mark Kennedy, "Health issue entangled in issues of jobs and national unity," *Kingston Whig Standard*, November 19, 1996.

The tobacco industry also relied upon the close political ties it had built up over the years. It donates substantial funds to mainstream parties, including $63 000 to the Liberals in 1995 and $92 000 the previous year.[49] A number of Senators sit on tobacco boards, as did Finance Minister Paul Martin until he became an MP in 1988. Presidents and other executive members of various riding associations have strong ties to the tobacco industry, and tobacco companies have made substantial campaign contributions to individual candidates.

The tobacco story offers a number of insights into pressure group activity in Canada. It illustrates how influential and well connected business groups can be, as previously discussed. But it also demonstrates, in support of pluralist views of policy making, that other interests—in this case from the health field—can also mobilize and make an effective case. Even with all of its connections, the tobacco lobby was unsuccessful in blocking a second attempt at government legislation banning advertising, introduced in late 1996 and passed in April 1997.

But continued pressure did succeed in weakening the resolve of the Liberal government, especially as the time drew near for the 1997 election. When the tobacco companies threatened to cancel their sponsorship of Montreal's Grand Prix, the Health Minister announced that limited tobacco advertising would continue to be allowed in connection with racing events. This move was apparently sparked by the Prime Minister's concern that the controversy with the tobacco companies might hurt Liberal candidates in Montreal ridings in the impending election. The Tobacco Act was amended in 1998 (Bill C-42) to provide a two year extension (to October 1, 2000) for tobacco sponsorships of existing events and groups (not just related to racing). For three years thereafter, sponsorship will be permitted freely on the site of events only, and effective October 1, 2003 all promotion of tobacco sponsorship will be banned.



## Concluding Observations

This chapter has provided an extremely brief overview of political parties and the political spectrum. It in no way constitutes an adequate examination of this topic. It is up to you to build from this introduction. Find out more about the political parties and where they stand on the issues that concern you. When the next federal or provincial election occurs, be sure that you have an informed basis for exercising your democratic rights.

When you look at the parties and the promises they make, you should also consider carefully the assumptions they are making about the role of government—in other words, where they fit on the political spectrum. Where you want them to fit is your call. But this Guide offers a reminder that—as with all things in life—a balance must be maintained in the size and scope of government. It may well be that government had grown too large and too intrusive. If we over-react to this perceived situation, however, we may pay the price for scaling back too much the role and contribution made by government. We may aggravate social divisions and widen the gap between the haves and have-nots. We may find ourselves with not only a leaner government but a meaner society. It's up to you, and all Canadians, to monitor the actions of our governments and our political parties, and to maintain a desirable balance between the scale of government operations and that of the private sector.

Besides participating through political parties, you may wish to join pressure groups that deal with issues that concern you. But recognize that governments can't always respond to the interests of your particular group(s), no matter how well expressed. Nor would such a response necessarily be desirable, unless one assumes that the "public interest" is little more than the sum total of the various, separate pressure group interests. Since many of the most influential pressure groups seem to represent the interests of big business, their combined perspective is unlikely to accord with the public interest, which suggests that you should also pay more attention to the activities of these pressure groups and the kind of influence they wield over government.