

BUSINESS TAKES A BACK SEAT

Don Johnston, one of the few cabinet ministers to sit on the cheering squad for the private sector, may be genuine in his belief that the Liberals stand squarely for the economic primacy of the private sector. But such is not necessarily the way of the party

■ LAST fall Donald Johnston was nonplussed at first when I told him he had my sympathies in his rather pathetic position within the ministry of Pierre Trudeau and in the Liberal Party. The Minister of State for Economic Development, and for Science and Technology, has been the leading, indeed almost the only, consistent spokesman of the ministry for governmental frugality or the primacy in the economy due to its private sector.

Why pathetic, he replied, and I ran through the litany of Liberal ministers, since the great days of C.D. Howe, who had been or are seen as pro-business or friends of the private sector within the cabinet. Names like Bob Winters, Arthur Laing, George McIlraith and Bob Andras. In the Trudeau years the ministers with such a reputation have become fewer. Indeed, in the current ministry, only Johnston and Ed Lumley, and perhaps, one of the newest arrivals, Roy MacLaren, merited the friend-of-business tag. Lumley tends, by his nature, to stay away from public remarks on economic doctrines. Ever since his 1980 entry into the cabinet, however, Johnston has assumed an open and argumentative role about government and business which squared consistently with what he proclaimed when he was a prominent tax lawyer in Montreal.

For safety's sake, a lot of men, once elected and with a post of power, fudge away from their pre-political stances. Not Johnston. For example, on several occasions after he'd been a minister for a year or so (at Treasury Board), Johnston let audiences know what was happening to him.

"When I was in the private sector," he said in September 1981, "I had many occasions to deal with the civil service. I was concerned about the apparent isolation of the bureaucracy from the business community. I felt there was a lack of sensitivity to legitimate business interests. In many instances the bureaucrats indicated a marked preference to erect obstacles rather than clear away the underbrush and let the private sector get on with significant progress."



That old perception, said Johnston, had not changed entirely but "it certainly had been modified in significant ways", and he went on to our blessings in having so many "dedicated, hardworking and able public servants". But the adjustments Johnston had made regarding his previous "scunners" on the bureaucracy in Ottawa were counterpoised by his growing apprehension that the relations between business and government were poor and getting worse.

Business, he said, believes "we have a hidden agenda" which contains plans for massive intervention in Canada's economy. Almost intervention for its own sake. This "lurking suspicion" that the Trudeau government is leading Canada "down the road to socialism" is unfair to the Liberal Party. To be a Liberal in Canadian terms has been to be an exponent of free enter-

prise, and to distrust the heavy hand of government. "And I suggest to you," said Johnston, "that such has always been Liberal government philosophy."

I argued to Johnston that although there'd been places for men with his views in the Liberal government, post-Louis St. Laurent, these were really minority views within the party's coalition of opinions and interests. A much larger element in the party believed in strong government leadership for the economy, including much intervention. I cited the "leading edge" provided by heavily-funded crown corporations, a role which prominent Liberals such as Senator Jake Austin, Maurice Strong and Joel Bell extolled.

■ JOHNSTON insisted that he didn't feel alone in the ministry and the party. He was comfortable with Lalonde's last budget. He felt it was almost a turning point, a turn toward both theoretical and pragmatic acceptance within the government of the absolute leading role of the private sector in the economy.

He brought out a pamphlet, entitled "Government and

Business: A Personal Perspective", which he'd written and which the Liberal Party had published last year. He'd been moved to writing it because he was so concerned about attitudes toward business within the ministry, the caucus and the party.

The essay, running to 3,000 words, is "personal". Johnston went into politics in 1978 because he was concerned about the escalating confrontation between business and government. He argues Canada has been lucky not to be polarized ideologically like Britain, largely through the grace of Liberal Party domination, a party of "the non-ideological centre". He stresses Canadian pragmatism. Because of this past, the Liberal Party is the one to defuse "the escalating confrontation".

He sees the party losing business and professional backing because it is seen as going beyond the old role of government "as providing the framework for private-sector growth and promoting fairness in the distribution of such growth in support of a mixed economy".

He insists in the essay that the Liberal party "must define" its position on direct government intervention in business. It must keep reaf-

firming the importance of the entrepreneur. "Above all, Liberals must guarantee a stable environment for business activity. The business community must have confidence in the long-term direction of government policy."

For most of the rest of the essay, Johnston argues clear limits for the government in crown corporations, using (unfortunately, in the light of later events) the coming privatization of Canadair and de Havilland as luminous examples. And he concludes with a prose hymn to the entrepreneur and his "catalytic role".

It's a commentary on partisan Ottawa that I take from both my own judgment, those of other journalists and most MPs whom I've canvassed that Johnston has been seen (and still is) as a man "too far to the right, too business-oriented" to be a significant prospect for the Liberal leadership. He's not seen or portrayed as a "dumbbell" or a man out of place who should properly be in the Tory Party.

No, the capaciousness, the latitudinarianism of the Liberal Party, is well-known and hardly worth extra comment. Rather, it's recognized a Johnston or two in the ministry is useful for the government and the party. But few can conceive that the Liberal Party of today – the ministry, the caucus, the membership – is ready to function as either government or in electioneering on a prime plank of respecting the private sector and putting paramount the buildup of its long-term trust in the party.

Throughout the past few years, there's been a broad assumption that the heir to Pierre Trudeau, if he should want the post, is John Turner. Certainly, on the rankest yet toughest of political tests – can we win with him? – Turner has been the affirmative answer for most of the elected Liberals. But several factors have been altering, as Trudeau has carried on and the economy has recovered somewhat.

■ MOST IMPORTANT, perhaps, was the long struggle for the Tory leadership and what this has done in both positions taken and firmed, and in the choice of Brian Mulroney, to underline again and again that the Tories stand for defence of the private sector and against the economic interventions and the regulatory controls so identified with

the Trudeau Liberals.

And aside from literally preempting the right side of the economic road, the party of the Official Opposition has been rolling up survey totals which indicate mass public support and near annihilation of both the Liberals and the New Democrats at the next general election.

In the face of such an overall situation, not many Liberals are considering a rightward shift in policy. Why try to go to the position on the spectrum already taken and where we haven't been?

Such an attitude raises doubts about Turner. After all, he's been conjured up since he bolted out of the Finance portfolio in 1975 as a friend of the private sector who had had quite enough of the Trudeau brand of economics.

Further, the Liberals can see from the U.S. in its reaction to Ronald Reagan, and from British Columbia in reaction to the Social Credit government's last budget, that there are interests and constituencies with lots of votes antagonistic to policies which place nice relations with the private sector first.

Thus, the lines of a Liberal strategy which would adopt the policies toward business and the economy pushed by Don Johnston are most unlikely. Rather, the emphasis will be on the hurt in store for pensioners, working people, government employees and the poor if the electorate goes for Mulroney and the Tories.

Of course, the Liberal party is not about to attack or belittle the private sector. It'll be useful to have a Johnston or two around as demonstrators of the party's dedication to free enterprise.

But the Liberals will be shouting the scale of economic recovery and the contribution to it of "Six and Five" and recent monetary policy. Why switch to another, inexperienced party and leader? Do you want slashing of work forces and cutbacks in programs for people?

Given the scale of Liberal unpopularity as winter falls over the country, it would be foolish to think the Liberal strategy will work well. The point is that it's more natural to them, more easily argued, and clearly different to what their rivals represent or symbolize. So you see why I'm sympathetic to Don Johnston but cannot see him as the face of the Liberal future. ■

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