

*Election Expenses*

In addition to the provision for limits on the total amounts to be expended by national political parties, we are also proposing that ceilings be placed on the amounts that can be spent by individual candidates. Individual candidates will be permitted to spend for all campaign purposes an amount no greater than the equivalent of \$1 for each of the first 15,000 eligible voters in their constituencies, 50 cents for each of the next 10,000 voters and 25 cents for each elector over 25,000. In a constituency with, say, 40,000 voters, a candidate would be permitted to spend up to \$23,750. Overspending by a candidate could result upon conviction in a fine of up to \$1,000.

This provision, with the proposed limits, is in accordance with the proposals of the special committee appointed in the last Parliament and is in accordance with the provisions of the bill which was introduced in the last Parliament and examined by the Standing Committee on Privileges and Elections. This provision seemed to be generally acceptable and therefore it appears in almost unchanged form.

In referring to the limits on the expenses to be incurred by candidates it should be noted that groups acting on behalf of candidates with the knowledge and consent of party managers will be regarded as part of the candidates' organization. Expenses incurred by such groups, for example, will be regarded as part of the candidates' allowable expenses. So that an organization which might support the candidacy of the hon. member for Gander-Twillingate (Mr. Lundrigan) as a separate organization would not be immune from attracting the limits that are normally attached to any candidate.

Of course, an exception is provided for in the bill in the case of recognized opinion groups; an exception will be made for opinion groups organized over a period of time to promote a particular cause. If their cause is similar to that espoused by a candidate then, of course, their expenses would not become part of the candidate's ceiling. This is a rather delicate aspect of the protection of the rights of individual groups to exercise their ability to influence public opinion. The committee will want to examine the provisions in the bill that are calculated to respect the ceiling but at the same time make it possible for groups in the community to operate during a campaign as well.

We have also responded to a suggestion that was made frequently in the debate on second reading in the last Parliament in regard to restricting paid political advertising during federal campaigns to the 29 days preceding election day. That provision was not contained in the original bill that was introduced in the House of Commons, but as a result of representations made in the House amendments were proposed to the bill. There is one exception to this provision, which will be to permit parties to advertise the time and place of meetings held for the nomination of candidates. Candidates will be free to advertise as usual in the 29 days which I have mentioned, and the committee may want to consider developing certain other exceptions in addition to the advertising of the time and place of meetings for the nomination of candidates. There are a number of exceptions that can be contemplated, and the standing committee could easily address itself to that problem. Of course, no advertising

could be permitted on election day or on the day preceding the election.

Another important feature of this bill is the provision that political contributions will be deductible from the total tax to be paid by the taxpayer. The formula which is employed in this bill is different from that employed in the last bill. The same principle which was in the last bill is contained in the present bill, but we have weighted the tax credit available in favour of the small contributor. For example, if I recollect the formula in the bill, there will be a tax credit of up to 75 per cent of the first \$100 contributed up to a total tax credit of \$500. The purpose of doing it this way is to encourage the small contributor and to assist the candidate in attracting contributions from as wide a number of the electorate as possible.

It is evident that the disclosure provisions in the bill will probably reduce in the early stages the interest of certain contributors in making contributions to parties and candidates. We believe that we have compensated to some extent whatever shortfall may occur by making it possible for candidates and political organizations to solicit contributions from the smaller contributor with the assurance that the smaller contributor will receive a very significant tax credit.

● (2020)

I should mention at this point that the definition of election expenses in the bill includes the commercial value of donated goods and services and the commercial value of purchased goods and services, regardless of the amount actually paid for them. We have tried in the provisions of this bill not to include as part of the over-all expense limitation the voluntary contribution of the citizen who wishes to go out and work for a candidate. That is not expected to be counted in the over-all election expenses of the candidate. But we have attempted to include persons who may be full time professionals in one occupation and who would totally move their operations into a political campaign. We would hope that assimilation of such expense in an election campaign would be counted in the candidate's permissible ceiling. We believe that is a fair approach unless we are to strike an unfavourable balance against a certain candidate who is unable to acquire significant sources of support of that kind.

The bill will make it an offence to contribute to a political party or candidate except through a registered agent, and also an offence for election expenses to be paid through anyone except a registered agent. That is pretty much in accordance with the provisions of the present election law, which obliges a candidate to appoint an official agent, and obliges the official agent to be recipient of campaign contributions and also to be the person who pays the bills for the campaign.

We have also put into the bill another provision which will appeal to many candidates, and that is that the amount which advertising media can charge for political advertising during a campaign will be limited to the lowest amount charged for equivalent advertising purchased by non-political clients during the election period. We have all had the experience that during a campaign we have had to pay higher rates to the media than we normally would pay, and this is looked after in the bill.