

*Election Expenses***AFTER RECESS**

The House resumed at 8 p.m.

**ELECTION EXPENSES**

**PROVISION OF PAYMENTS TO CANDIDATES AND  
REIMBURSEMENT OF PARTIES FOR CERTAIN  
BROADCASTING TIME**

Hon. Allan J. MacEachen (President of the Privy Council) moved that Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, the bill we are now considering embodies many of the provisions suggested in its predecessor bill during the last Parliament and represents probably the most comprehensive attempt at the reform of electoral expenditures undertaken so far in Canada.

Among its chief provisions are strict limits on the amount of money which can be spent during an election campaign by political parties and candidates, the public disclosure of names of donors who contribute more than \$100 to a party or candidate, a shortening of the time period during which political advertising would be permitted, the removal of restrictions on broadcast commentary during the final hours of election campaigns, and finally the reimbursement to candidates for election expenses up to a prescribed maximum.

The bill contains many provisions similar to those in the election expenses bill introduced in the House of Commons last year by the government. That bill, as hon. members know, was not passed before Parliament was dissolved. Among the major changes incorporated in the new bill are the requirement for full disclosure and the imposition of a ceiling on campaign spending by political parties.

There are several reasons for the significant changes between the old and the present bill. The discussion of election spending which took place during the last Parliament produced worthwhile suggestions from all parties which the government accepted in drafting the new bill. In addition, public demand for greater disclosure of the financial affairs of political parties has increased since the original bill was introduced.

Bill C-203, if passed by Parliament, will give Canada one of the most democratic and open electoral systems in the world. These reform proposals will remove much of the secrecy from the financial affairs of political parties, and will also encourage more Canadians of average means to contribute to the party of their choice and become more actively involved in the political process. The bill requires that every political party register with the Chief Electoral Officer the name of its chief agent, who would be responsible for submitting audited financial statements to the Chief Electoral Officer after an election campaign and at the end of each fiscal year.

These financial statements will be made available to the public. Each candidate will be required to appoint an official agent who will submit an audited financial statement to the constituency returning officer. The statement

[Mr. Deputy Speaker.]

will be a full and complete accounting of all campaign contributions and expenditures. The party's statements will have to include a complete list of all gifts and contributions received at any time, not only during an election period. Parties and candidates will also forward the name of every donor whose total contribution exceeds \$100, together with the amount of the total contribution. This requirement will apply regardless of whether the donor is an individual, corporation, trade union, unincorporated organization or association.

In addition to the financial statements filed by parties and candidates after an election, political parties, as I have stated, will also be required to file an annual audit and financial statement which will include, in addition to contributions, an accounting of operating expenses and travel costs of the party leader and other party officials.

The question of disclosure of campaign contributions, or, for that matter, political contributions in general, is a key issue in the process of electoral reform. In the present bill, for the first time, there is a provision for virtually full and detailed disclosure by parties and candidates of the sources of revenues and objects of expenditures. In this regard, the bill goes further than the recommendations of either the Barbeau select committee or the special committee of the House of Commons which examined the question in the last Parliament. However, there is a widely held view that an individual person who contributes a nominal amount should not have to reveal the party to which he contributes. Many people believe that political affiliation, like voting preference, should be treated as a private matter. We have gone a certain distance in respecting that opinion, and therefore propose that individual contributors will not be identified unless their contribution exceeds \$100. Thus they will not be in the position of having their political affiliation or preference revealed.

● (2010)

Anyone whose contribution to a candidate or party reaches a total above \$100 can count on the fact that this contribution will be listed and will be available for public examination. That looks after the general question of disclosure and will contain for the first time in the history of this country an obligation on political parties to disclose the sources of their revenue. It will also obligate them for the first time to disclose the object of their expenditures following an election. So that is a major change in the treatment that will be accorded to national political parties under this bill if it becomes the law of Canada.

We are also proposing in this bill to impose a definite limit on party campaign expenditures. That is a significant difference from the bill introduced in the House of Commons in the last Parliament. The limit on national parties is the amount of 30 cents multiplied by the number of electors in ridings where the party has entered a candidate. This provision will undoubtedly have a significant effect in controlling the amounts to be spent by political parties in future campaigns in this country. The penalty for overspending will be a fine of up to \$25,000 for the political party. The chief agent of the party will also be held accountable, and naturally a political party that overspends the limits proposed in this bill will probably be subjected to a good deal of public criticism and public scrutiny.