

*Canada Elections Act*

I should like to remind hon. members of the chief provisions of this act, because I think the amendments which we have before us today to a certain extent subvert the intention of the twenty-ninth parliament which passed a very important and forward-looking piece of legislation. The act has, in my opinion, three main provisions. First of all, it puts limits on the amount that political parties and candidates can spend during an election. The reasoning behind this was to prevent the electoral process from being dominated by the wealthy, by those who had funds at their disposal and, therefore, could buy media time and other kinds of advertising. An ordinary citizen would not be able to do this. So putting a limit on the amount spent during an election was an important advance; it put everybody on an equal of footing, at least in terms of the amount which could be spent.

The second major provision required public disclosure of amounts in excess of \$100 contributed by a donor to a party or a candidate. This, also, is fundamental to the act because it provides for an open process. Surely, that is what democracy is all about—that we know where funds are coming from so we can make a judgment as to the vested interest of the donor of such funds. The third important provision had to do with reimbursing candidates for expenses in an election, up to the prescribed maximum. I hardly need tell the House that this is important since it prevents candidates from being discriminated against because they or their supporters do not have sufficient funds to run a worth-while and full election campaign.

Those were the chief advancements which were made in the last act. However, legislation has to meet the realities of the times. We have had some by-elections and representations have been made to the Chief Electoral Officer in regard to improvements. I should like at this time to pay tribute to the Chief Electoral Officer, his staff and those who sat on the parliamentary committee, as well as on the ad hoc committee, and proposed changes and clarifications to the act. I think we have before us a number of improvements, clarification of language and terms, and some improvements for which members on both sides of the House and members of the general public have asked.

There are, of course, a number of changes which cause us some concern. The first that I should like to mention is inflation indexing of election expenses. We in our party recognize that since the act was passed in 1974, expenses have risen. I do not think it was the intention of the twenty-ninth parliament to freeze for all time the expenses of a candidate in an election. We have to be realistic and must understand that as inflation continues from year to year, the original limitations which were set may not be realistic. It seems to me we have to look closely at the formula presently contained in the bill before us, so as to make sure that the inflation formula is reasonable and does not violate the spirit of the original act, that it does not impose a great burden on the taxpayers. Therefore, Mr. Speaker, while we recognize the need for some kind of adjustment to the formula for determining what are to be the limits of election expenses, we are at the same time

concerned that that formula not be more generous than is absolutely necessary.

The other very crucial point in the bill before us is an omission which is of real concern to me and my party. It is an omission which in reality strikes at one of the fundamental principles which I outlined in my earlier comments about what this bill is supposed to do. I refer to the principle of public disclosure. As the act now reads, there is a very important loophole which remains uncorrected by the bill before the House. I refer to the lack of any prohibition of anonymous contributions to a party or to a candidate. The all-party committee looked at this question very carefully. I have before me the minutes of that committee when this very issue was raised.

● (1602)

If we go to all the trouble to design an election reform act to limit the kinds of contributions which may be given to a candidate in a campaign, then surely we have to look at all the possible ways that intention could be subverted. One of the easiest ways in which that intention could be subverted is anonymous contributions: the idea of money coming to a candidate's headquarters anonymously, being used in the campaign, and no public disclosure of where that amount of over \$100 came from.

The all-party committee minutes indicated that someone with an unmarked envelope addressed to the party or candidate would come, deliver or send by mail an amount of money. Someone making an anonymous donation will not be concerned about any rebate under the income tax system. Therefore, the rebate function under the Income Tax Act requiring that someone's name be disclosed cannot be used as an argument.

I thought the committee had made some very sensible recommendations. They wanted to make it illegal for any contributor not to supply the agent with his proper name and address. The committee indicated that an easy amendment could be incorporated in the bill before us under the beneficial ownership clause. Furthermore, to close any further loophole, the committee wanted to make it illegal for any candidate or party to use funds contributed anonymously. It suggested that any such anonymous contribution received could be deposited to the credit of the Receiver General of Canada for the purpose of the enforcement of this act.

It seems to me that those two suggestions are in line with the intent of the original act. They make sense, because they close a very important loophole which would subvert the intention of the act. This can be done by demanding that there be no anonymous contributions, that financial support given to a candidate would require a name attached to it and it would have to be public knowledge. If any such anonymous funds bypassed that system and got to the candidate, the candidate could not use such funds.

We do not see that very tight and precise prohibition in the bill before us. Surely, that has to be one of the fundamental weaknesses of the bill. It subverts, it weakens, and it destroys