

recognized by the Minister of National Revenue and that such tax-deductible donations are in addition to the maximum percentage now allowed for charitable donations under the Income Tax Act.

COMMENT

Your Committee considers that an agent of a candidate should be allowed to receive contributions in one form or another, to issue receipts for Income Tax purposes and pay bills outstanding up to three months following the end of the period of the election, i.e. throughout the whole period provided for post-election reporting. This might require consequential amendments to a number of sections of the Canada Elections Act.

PART XI. DISCLOSURE

RECOMMENDATION 41

We recommend that each candidate's official agent be required to disclose to the Minister of National Revenue within the period prescribed for post-election reporting the list of all donors, be they individual or corporate, to whom a receipt for income tax purposes was given.

RECOMMENDATION 42

We similarly recommend that each political party's official agent be required to disclose to the Minister of National Revenue within the period prescribed for post-election or annual reporting the names of all donors, be they individual or corporate, to whom a receipt for income tax purposes was given.

COMMENT

This would provide for comparison of gifts received against receipts given.

RECOMMENDATION 43

We further recommend that as soon as the Minister of National Revenue receives such lists of names, he be required to report to the Chief Electoral Officer the *total amount* of contributions for which tax deductible receipts were given by each candidate's agent as well as by each party's agent.

RECOMMENDATION 44

We recommend that the Chief Electoral Officer be required to cause the information received from the Minister of National Revenue to be filed with each candidate's or party's audited report forthwith after it has been received and as such be available for inspection by the public.

COMMENT

(a) This may provide a further control in addition to that already provided by the audited report. Perhaps it would provide an answer to those who may say that the public has a right to know to what extent contributions to political parties and candidates are

tax deductible since this becomes an indirect subsidy by the public treasury to campaign funds. While the possibility that a candidate may give receipts for an amount that would exceed the amount declared in his audited report is extremely remote, the recommended procedure would provide an additional safeguard against such abuse.

(b) We were persuaded that the benefit of full disclosure could be obtained by the recommended scheme i.e. disclosure to the Minister of National Revenue, but that for the following reasons public disclosure of the names of individual donors either to parties or to candidates would be counter-productive:

(1) it would discourage donors who would fear business or community repercussions;

(2) it would discourage business based donors who would anticipate that the published list would be used by other parties as a canvassing list and thus lead to requests for several times as many contributions. Eventually it would diminish rather than increase contributions;

(3) it would breach the principle of the secret ballot, since by extension a donor will be presumed to vote for the candidate or party he supported financially;

(4) if it is wrong, as the Barbeau Committee concluded, to disclose the name of individual donors to parties, then to require such disclosure of individual donors to candidates would upset the balance between parties and candidates because donors would naturally contribute to the parties rather than to the candidates;

(5) it would be an invasion of privacy;

(6) we believe that it is fallacious to require disclosure of the name of donors only above a specified limit, as for example \$100. The reason is that such a scheme, as in the United States, inevitably invites circumvention. Using his wife a donor could double the contribution without disclosure, using his children he might quadruple it, and using his friends he might multiply it many times. Circumvention of such a limit is so simple that the scheme would easily be brought into ridicule.

RECOMMENDATION 45

We recommend as did the Barbeau Committee that each registered political party through its official agent be required to file with the Chief Electoral Officer in the form prescribed by him within six months of the date the writs were made returnable, and annually within 60 days of the end of each party's fiscal year as disclosed in its application for registration, a report of its income and disbursements in the categories set out below:

Receipts

(a) The total number of dollars received from private individuals.