

*Election Expenses Bill*

disclosure would be in the best interests of the Liberal party, for example. On this point we have accepted the recommendations of the Barbeau committee and the special committee of the House of Commons.

In this bill we are proposing that political parties be obliged by law to disclose their sources of funds by category, namely, the corporations, trade unions, private individuals and so on. We are not obliging nor asking that the individual contributor to a political party be identified in the return. In taking this approach we are following that taken by the Barbeau committee and by the special committee.

The Barbeau committee discussed this particular question and hon. members may want to refer to the discussion in which they put forward the pros and cons of disclosure by contributors. They concluded that for a number of reasons it would be in the best interests of the democratic process not to identify particular contributors whose privacy would be violated, who may be subject to harassment from all political parties and whose secrecy of political activity would be jeopardized. For these reasons they did not recommend the identification of the contributor. They accepted the view that an obligation to disclose individual contributions to political parties would probably dry up sources of support from legitimate contributors and would force political parties to rely on what they term illegitimate sources of campaign contributions.

• (2040)

It seems to me that in obliging political parties on an annual basis and after an election to disclose by source their contributions in total dollars, by obliging the chief agent of the party to make a report to the Chief Electoral Officer, by obliging the party to have its accounts audited and confirmed that in the opinion of the auditor the accounts had been kept in accordance with the law, and by obliging the Chief Electoral Officer to make these accounts public we are going a long way in putting a searchlight on the activities of political parties. We are taking a very important step and I hope that members of all parties will realize its implications for the future of all political parties and the operation of their financing.

With regard to candidates, the system of disclosure for candidates under the bill is intended to be the one contained in the present law. In this regard we are simply adopting the Barbeau report and the special committee report of what should be disclosed by candidates. We are requiring candidates to publish returns relating to the names of contributors, whether private individuals or corporations or unregistered groups who have contributed to their campaigns. The names of specific contributors must be set out on the form relating to election expenses.

In addition to the return relating to election expenses, a candidate must within two months following date of the election have his official agent turn over his accounts, receipts and vouchers and his return relating to election expenses to an independent auditor who will check the accounts to determine whether or not they accurately reflect the spending or, alternatively, that there is insufficient information.

The official agent of the candidate must then forward the return relating to election expenses, and the auditor's

report to the returning officer who in turn submits it to the Chief Electoral Officer who keeps both reports as public records. The returning officer is obliged to publish the return relating to election expenses and the audited report in a local newspaper following the election. The candidate is not entitled to the return of his deposit or the financial assistance, which I will discuss later, until these returns have been submitted.

The concept of the auditor's report was developed by the special committee and it is felt that this will allow an individual citizen to determine quickly and accurately what a particular candidate has spent or whether a particular candidate is in violation of the law. If a candidate does not submit a return and an auditor's report, or if the return is inaccurate or incomplete, then the candidate if elected will not be allowed to take his seat, or if not elected will not be eligible to be a candidate again until the return and the report have been filed.

I have already discussed the system of disclosure by registered political parties but I should give a little more detail because it is a key proposal. Under the bill, parties registered under section 13 of the Canada Elections Act will be required each year, within two months of the end of its fiscal year, to submit an annual return showing the amount of contributions made to it in that year by classes of donors. These classes of donors are individuals, public corporations with share capital, private corporations with share capital, corporations without share capital, trade unions and unincorporated associations other than trade unions.

On the disbursement side, the parties must show amounts of money provided by the party, the value of other assistance given to each provincial and regional organization of the party, the amount of money expended on operating expenses of the party, including the travel costs of the leader of the party, and the total of all other expenditures made by or on behalf of the party. In addition, within six months of each election the registered parties must submit a similar return with respect to contributions and expenditures made by the party during the election.

Both the annual reports and the post-election reports of registered parties must be accompanied by the certificate of an independent auditor similar to the one to be obtained by candidates. This must state that in the auditor's opinion the accounts of the party and the reports accurately reflect the expenditures of the party in the annual period or in the election campaign, whichever is applicable. That is certainly a new step.

I have already discussed the question of disclosure and I have mentioned the reasons which led us to accept the recommendation of both Barbeau and the special committee with respect to the obligation. We fully accept the principle of disclosure with regard to political parties, but it is disclosure by category. For the first time we have applied the doctrine of agency. To ensure that the accounts, vouchers and receipts of the registered political parties accurately reflect all the expenditures and contributions made to political parties, it is necessary to apply the doctrine of agency to political parties.

The system of agency for political parties will be analogous to the one already applicable to candidates. Regis-