

● (2002)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[English]

CANADA ELECTIONS ACT

AMENDMENT OF CERTAIN PROVISIONS

The House resumed consideration of Bill C-5 as reported (with amendments) from the Standing Committee on Privileges and Elections.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I think I have time left until just a fraction before 8.30 in which to conclude.

An hon. Member: No!

Mr. Dick: I have finished the preliminary half of my remarks and I should like, in the second half, to document what I have had to say. It may be my only opportunity. This matter, the subject of my remarks before five o'clock, first arose when in October, 1973, members of the Standing Committee on Privileges and Elections, engaged in consideration of the Election Expenses Act, were concerned as to whether or not provincial organizations other than registered federal parties would be able to benefit from the generosity of the Minister of National Revenue in allowing a tax deduction in respect of certain donations to political parties. I would refer in the first instance to page 14 of issue No. 15 of the reports of the Standing Committee on Privileges and Elections dated October 30, 1973. The witness on that occasion was Mr. David H. Wishart, chairman of the study group on election expenses set up by the Canadian Institute of Chartered Accountants. As recorded at page 14 the former member for Skeena, Mr. Howard, sais this:

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Is it your view, with respect to the income tax deductibility feature of the bill, that a person could make a contribution to a subsidiary section of a registered party, such as a provincial section or the like, and would then be able to get a receipt for that for income tax purposes? That particular provision is on page 35, the proposed subsection is 126.1 (1).

Mr. Wishart replied:

We did not read it that way, Mr. Howard. What you have in mind is if, say, someone contributed to the New Democratic Party of British Columbia, would he be able to get a tax receipt for that? I can only read the words in the text about an election of members to serve in the House of Commons.

So obviously that witness believed that we were talking of expenses for electing federal members to the House of Commons. Then immediately following, the hon. member for Greenwood (Mr. Brewin) said:

Canada Elections Act

Could I put a supplementary in there? Does it not also refer to a contribution to a registered party? Supposing you leave out the election altogether, and consider Mr. Howard's question from the point of view of a contribution to a registered party. Is there any limitation on how it would be interpreted if you gave a contribution to the registered party with the direction that it be transferred to the provincial branch?

MR. WISHART: I am sorry, Mr. Brewin, I just do not know the answer to that question.

That is an indication that the New Democratic Party was well versed in this matter, that it had done its homework and had its lawyers there to assure themselves that they would be able to use this scheme.

The next time that the matter was raised in committee was on Thursday, December 13, 1973. In issue No. 17 of the committee's proceedings, the hon. member for Regina-Lake Centre (Mr. Benjamin) put a question in a somewhat convoluted way but it is the answer that is important. The answer given by the person named in the report, who I presume is the President of the Privy Council (Mr. MacEachen), is as follows, as recorded at page 7:

If the person who received the funds is a registered agent of the party, so nominated and listed by the chief agent, he could issue tax credits as I understand it. The only question in my mind concerns your mention of a provincial secretary.

Then I would ask hon. members to note these words:

I would enter a caution because the bill is couched in terms of the election of members to the House of Commons and presumably we are dealing with funds for elections to the House of Commons and registered parties seeking to elect people to the House of Commons.

In other words, the President of Privy Council is saying: "Watch out, this is an Election Expenses Act dealing with the election of members of federal parties to the House of Commons". He is staying well away from any provincial affiliation. Then a little later on on the same page Mr. McKinnon, I presume the hon. member for Victoria, says this:

Mr. Minister, in a province such as British Columbia where we have a Social Credit party, it would be to their advantage then, would it not, to contribute the funds to the federal Social Credit party and have them transfer them back to the provincial Social Credit party and thereby come under this tax allowance which would not be the case if they contributed directly to the provincial party? Federally speaking, they are of no consequence in B.C. but it would be a big advantage to them if they follow the way you have explained. They will be able to collect money really for provincial purposes and be exempt from federal tax.

The President of Privy Council replied:

What you are really asking me is whether funds collected for which tax credits are issued can be used for provincial elections? Is that what you are asking?

MR. MCKINNON: In your explanation to Mr. Benjamin you indicated they could transfer these moneys between federal and provincial parties.

MR. MAC EACHEN: That is not what I said.

Then after some *obiter dicta* he continues:

Now it is then up to the registered party to determine how it supports its political activities and we do not determine that in the law.

That is in conflict with what he had said on page 7, namely:

I would enter a caution because the bill is couched in terms of the election of members to the House of Commons and presumably we are dealing with funds for elections to the House of Commons—

And so on. There appears to be some contradiction there. The minister is trying to get the best of both worlds. Then on the next page of the report, again the hon. member for Victoria: