



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Procedure and House Affairs

PROC • NUMBER 072 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, October 5, 2017

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Chair

The Honourable Larry Bagnell

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• (1100)

[English]

The Chair (Hon. Larry Bagnell (Yukon, Lib.)): I call the meeting to order.

Good morning, everyone. Welcome to the 72nd meeting of the Standing Committee on Procedure and House Affairs. This meeting is being held in public. Today we are continuing our study of Bill C-50, An Act to amend the Canada Elections Act (political financing).

Our witness during today's first hour is Duff Conacher, co-founder of Democracy Watch and chair of the Money in Politics Coalition.

Thank you for being here, Mr. Conacher. You have 10 minutes for your opening statement. The floor is yours.

Mr. Duff Conacher (Co-Founder, Democracy Watch): Thank you very much, Chair.

To members of the committee, thank you for this opportunity to present to you today on Bill C-50. As mentioned, I am co-founder and coordinator of Democracy Watch and chair of the Money in Politics Coalition, which is made up of 50 organizations with a total membership of 3.5 million Canadians.

The coalition has been advocating changes to the federal and provincial political finance systems now since 1999, and is calling for changes to Bill C-50 to stop cash for access and the influence of big money in federal politics.

The bill, I believe, based on the framework, in that it addresses contributions in some sections and others, can be amended by the committee and sent back to the House, and should be, to make changes to ensure that wealthy individuals cannot use money as a means of unethical influence over politicians or parties, and also to stop the funnelling of donations, which has happened in every jurisdiction in Canada that has banned corporate or union donations but that has maintained much too high a donation limit, such as at the federal level.

The \$3,100 a year to a party and its riding associations is much more than an average voter can afford. That amount violates the fundamental democratic principle of one person, one vote. It allows people with money, who can afford to make that maximum donation, to use money as a means of influence.

To think that anyone who is donating the maximum does not get some kind of return on that is naive, based on what we've seen in the

past across Canada with various fundraising scandals. Even if it is simply an invitation to a Laurier Club event, that is access that you can only buy, and is therefore undemocratic and fundamentally unethical.

Sports referees can't take gifts from players, so why are politicians continuing to allow themselves, as the referees of what is in the public interest, to essentially be influenced by large gifts of money, property, or services, up to \$3,100 annually, in terms of what can be given to a party or a riding association?

The coalition and the more than 11,000 voters who have signed the petition on change.org are calling for changes that will stop big money in federal politics and stop cash for access. These are to lower the donation limit to \$100, as in Quebec; strengthen enforcement and penalties for violations; and only bring back per-vote funding or some kind of matching public funding such as Quebec has if the parties can actually prove, and candidates can actually prove, that they need this public financing in order to prosper financially.

These are the major changes that we are calling for.

As well, loans should be limited to the same amount as donations. If donations are limited but loans are unlimited, then federally regulated financial institutions can use loans to essentially buy influence with the parties. Yes, they have to give those loans on the same terms as they loan to anyone else, but giving a loan to a candidate or a party helps the candidate or party.

Clinical psychologists have tested thousands of people across the world, and found in every case that even small gifts have influence on decision-making. One of the best-documented areas is with doctors and prescriptions, even with doctors receiving free samples from drug companies that they don't use themselves but can pass on to their patients. It doesn't save the doctor any money at all, but just giving free samples to doctors has been shown through clinical testing to influence their prescribing decisions, although the doctors deny it across the board.

To think that donations do not have an influence over any politician or party official is to pretend they are not human. Humans across the world have been tested by clinical psychologists in double-blind studies, and it's been found that even small gifts influence everybody.

• (1105)

That's why the solution, the way to stop the influence, is to limit the donation that can be given annually to an amount that an average voter across the country can afford, and that's \$100. That's what Quebec has done. It's a world-leading system. The public financing is too high. It doesn't have to be as high as it is. In terms of the donation limit, the fact that a donation above \$50 has to be routed through Elections Quebec ensures that funnelling cannot happen and that people are only giving their own money and only giving no more than an average voter can afford.

The too-high donation limit federally also facilitates funnelling, which has been seen at the federal level with SNC-Lavalin. In Quebec, finally Elections Quebec did its job in 2011 and looked back five years and did an audit of donations. It had banned corporate and union donations in the late seventies and there had always been rumours that corporations were funnelling donations through their executives and their family members and through employees and their family members. Elections Quebec finally did an audit in 2011 after the corruption scandal broke there, and they found \$12.8 million in donations that had likely been funnelled from businesses through their executives and family members. That was \$12.8 million over a five-year period.

Funnelling is happening at the federal level. Elections Canada promised to do an audit four years ago. It hasn't done it yet. If they do, they will find it. It's been found in Toronto and it's been found in every jurisdiction that's banned corporate and union donations but left a donation limit that is too high and that facilitates funnelling, as the federal donation limit does. With the \$3,100 limit, you get 10 executives and their spouses to each give \$3,100, and boom, you've given \$62,000 to a party.

That's big money. That has big influence, and the only way to stop it is to lower the donation limit.

Democracy Watch has filed complaints about the fundraising events held last year and in years past with the Commissioner of Lobbying. We're hoping that the Commissioner of Lobbying at least will stop lobbyists who are registered or should be registered from participating in such events, but Bill C-50, despite making the events transparent, is not going to stop cash for access. MPs will still be allowed to do the events. The staff of cabinet ministers can be at events without it even being disclosed under Bill C-50, so there's not even transparency about a senior government official being at an event, only people who are candidates or party leaders or cabinet ministers. The bill will not stop cash for access. It will not stop the influence of big money.

There is a problem with big money. I will give you just one example of an analysis that Democracy Watch did. It was very difficult to do because of the way Elections Canada discloses the donations, but I did a ton of number-crunching and I determined that in 2015 the federal Liberals received almost 23% of their donations from just over 4% of wealthy donors, who gave \$1,100 or more to

the party. To do that analysis of what happens at the riding association level is not impossible, but it would take months and months, because Elections Canada doesn't consolidate any of those figures. That's just donations to the party: 23% of the party's money came in from donations from just 4% of wealthy individuals who could afford to give \$1,100 or more. That's a cash-for-access system. Those people at the time would have been invited to a Laurier Club event, possibly other events. I'm quite sure if the Access to Information Act were to be extended to ministers' offices, we would find that they get their calls returned more quickly than others, get meetings more quickly than others, get access to staff and senior government officials more quickly than others across the board. We don't have the kind of transparency that would prove that. I hope we will get it through Bill C-58, as the Liberals promised to extend the act to ministers' offices, or through the changes to the Lobbying Act, which has to be reviewed this year.

Within the framework of Bill C-50, I believe it's completely within order under the parliamentary rules for you to make these changes to Bill C-50, because the bill mentions contributions and all the other areas I've talked about.

I have not made a written submission to you today, but there is a news release up today on Democracy Watch's website that will be translated and distributed by the clerk, so you will have all the details.

I welcome any of your questions. Thank you very much.

• (1110)

The Chair: Thank you very much, Mr. Conacher.

Now we'll go to a round of questions of seven minutes each, and we'll start with Mr. Graham.

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Thank you, Mr. Conacher, for being here. I appreciate it.

I think I'm the only Quebecker at the table, so when you talk about Quebec, I'm actually familiar with it, and it's a very interesting system.

I want your thoughts. You said that the line should be at \$100, but that small gifts have an influence, however big they are, so why \$100? Can you compare it to other jurisdictions as well?

Mr. Duff Conacher: You could go to a system that is entirely public financing, but I believe that parties should be encouraged to reach out to voters and hear their concerns in order to prosper financially. That's why I believe the public financing in Quebec is too high. It provides the parties with much more than just a base of funding.

The conversation about public financing should start with how much parties actually need to operate across a jurisdiction. The overall answer is that they don't need any more than what their opponents have. Instead, what's happened in Ontario and now in B. C. and in Quebec is they just assumed they needed the same amount of money that they had at the time that they changed the law and put in public financing to make sure that any drop in donations as a result of limiting donations would be replaced by public financing. That's not where the conversation should start. There could be a report by the Auditor General or Elections Canada on how much parties actually need to reach people. Then you determine if you even need public financing.

If you're going to have a donation limit, it should be an amount an average voter can afford. Yes, small gifts can have influence, but if thousands of people from various viewpoints and perspectives are each giving \$100, their influence cancels each other out. The current system has 4% of Liberal donors giving 23% of the money. They're going to have more influence than those who give \$100 because they're giving a huge portion and are much more valuable to the party as donors. That's what you need to eliminate, and you can do that with a \$100 donation limit.

Mr. David de Burgh Graham: In my riding, my biggest donors are myself and my wife, so I suppose I have undue influence on myself.

How do you see the structure of public financing? What structure works?

We've often heard about per-vote financing as an idea. The trouble with it, in my view, is that how I voted in 2015 may not reflect who I support in 2016, 2017, 2018, 2019.

What kind of structure do you see?

Mr. Duff Conacher: I favour Democracy Watch's position and the coalition's position, which is that the matching funding that Quebec has is a better way to go. The matching funding should be higher in Quebec and the per-vote funding lower. Per-vote funding is fine as long as it's just a base amount that's being given. It's proportional, so it makes it more fair for the parties that don't win as many seats as they should based on the percentage of votes they receive, and that's an important thing.

One of the biggest public subsidies to the parties is that our first-past-the-post system gives some parties more seats than they deserve. Each one of those politicians who's elected gets \$450,000 in public money each year. That's a huge public subsidy. The per-vote subsidy at least is democratic because it's based on votes that are received, the actual percentage of votes the party receives, so if a party doesn't get as many seats as it should based on percentage of votes, at least it gets that money.

Matching funding is better, though, because it would go up and down each year based on how much the party raised. You can also do it for candidates, but you can't do the per-vote funding for candidates. It would be unfair to anyone challenging an incumbent.

Quebec has both. It could also be on a sliding scale, as in Quebec. Quebec has a higher amount of matching funding for the first \$100,000 that you raise, or \$10,000 that you raise as a candidate, and that helps level the playing field as well. Someone may have a lot of

donors who can only afford to donate \$50 in Quebec; let's say that person has 1,000 donors, so they only raise \$50,000, but the first \$10,000 is matched at a 2:1 ratio, so they get another \$20,000. If someone has 1,000 donors but they each can afford to give \$100, they could raise \$100,000, but the matching makes it a bit more even because the one ends up with \$70,000 and the proportion isn't as much out of whack.

That's why I favour matching funding, it goes up and down each year as well for the parties. If the party breaks all its promises and loses a ton of support, it won't get the matching funding.

• (1115)

Mr. David de Burgh Graham: When we had per-vote funding, there was a 2% threshold below which you didn't get any funding. Do you think that's appropriate?

Mr. Duff Conacher: Yes, I agree with a threshold for the funding, and if the system was changed to a proportional representation voting system, having the threshold would also be appropriate. I think that you should have a certain percentage of support in order to be able to tap into that funding. The Supreme Court of Canada ruled in the challenge that the 2% threshold was constitutional.

Mr. David de Burgh Graham: If you have these thresholds, how does it affect independent candidates, independent MPs, and so forth?

Mr. Duff Conacher: In Quebec, they have matching funding for independent candidates. At the candidate level, there isn't a threshold in Quebec. If you run as an independent, you'll get the matching funding for what you raise for your campaign. That also levels the playing field much more for independent candidates, who are discriminated against currently in the Canada Elections Act. They cannot raise money between elections, as riding associations are allowed to for the next campaign, so the matching funding helps. Removing that prohibition on raising money before the writ is dropped from an independent candidate is also something that should be changed to make the system more fair.

Mr. David de Burgh Graham: Should, in your view, donations be tax deductible? If so, should they be refundable or non-refundable? How do you do that? In Quebec, they're not.

Mr. Duff Conacher: Yes, Quebec eliminated that because of the \$100 donation limit. Currently the tax deductions favour those who can give more as well, and there's a huge taxpayer subsidy that exists. The per-vote funding subsidy from taxpayers meant that you had to vote for a party before you get back some of the taxes you pay, and everyone pays some taxes. Even if they don't pay income taxes, they're paying product and service taxes. That ensured that you had to vote for the party before it would get your two dollars. It was only two dollars. No one's money went to any party he or she didn't support. It was a fallacy that this ever happened, because everyone pays more than two dollars in taxes annually. It was democratically structured. The current subsidy is not democratically structured; it favours wealthy donors.

The Chair: Thank you, David.

Mr. Nater, you have seven minutes.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Mr. Chair. I want to begin by apologizing for my tardiness. I was enjoying a very exciting race outside in front of the Hill and didn't quite make it here in time.

I appreciate the opportunity to meet with you, Mr. Conacher, and I apologize to you, as well, for missing the initial couple of minutes of your opening comments. If I ask any questions that you've already covered, just direct me back to the blues, and I can read them.

In your comments, you mentioned in passing the Laurier Club and Laurier Club events. As you would be aware, the legislation specifically exempts donor appreciation events that are held at a party convention. This raises the question of whether people will be encouraged to donate the maximum amount to the party by, in this case, attending a Laurier Club event at a party convention where the Prime Minister or where ministers would likely attend, and not have to report.

Do you see that as a challenge with the legislation?

• (1120)

Mr. Duff Conacher: Very much so. In that way and in many other ways, this bill does not stop cash for access. Staff of cabinet ministers are not even covered. They're often important people for somebody to be able to see at an event, connect with and have a chance to corner and lobby a bit.

It's not a bill that's stopping cash for access; it's making a bit of it a little more transparent.

Mr. John Nater: I appreciate that.

As I was walking in, you suggested as well that any loans should be at the same level as donation limits. In that case, you suggested a \$100 limit was acceptable. It would probably make a loan more or less irrelevant if it's at a \$100 limit.

Is that where you are going? Should loans effectively be somewhat irrelevant?

Mr. Duff Conacher: Yes, the only way that Democracy Watch thinks that loans should be allowed is if you set up a public fund and the loans come from a public fund. The current taxpayer subsidy on donations is essentially a public fund, so replace it with something that replaces loans that are given by federally regulated financial institutions so that when a party gets a \$30-million loan for an

election, it has to be on the same terms as a \$30-million loan to anyone else.

That kind of loan would be a huge favour that a bank has now done for a party that will have a finance minister who makes decisions about the Bank Act if that party wins. Wow. It seems a pretty blatant conflict of interest to me. Why would you leave that loophole open? It's a big-money loophole.

Mr. John Nater: You would envision some kind of entity, whether it's administered by a government corporation or something, having a pot of money that a candidate or a party could then potentially borrow from in the campaign period—

Mr. Duff Conacher: Yes.

Mr. John Nater: —and the federal banks.

Mr. Duff Conacher: Yes, but very publicly, and it would be disclosed. All donations should be disclosed before people vote. That's another big flaw in our system. I didn't go into all the details of every single one of the 11 changes that we're calling for, but all donations should be disclosed before people vote so that they know who's bankrolling the party.

Mr. John Nater: Would you mind elaborating on that? What time frame do you think would be ideal for disclosure of names of donors, or in this case attendees at a regulated event?

Mr. Duff Conacher: Thankfully we have a perfect working model at the federal level with leadership candidates. Coming up to an election is the real problem area, because although quarterly donations are disclosed by the parties, an election can take place in between that, and people don't see the donations made during the election campaign.

However, party leadership candidates have to do that right up to a few days before the vote. Then we also have a working model for real-time disclosure in Ontario, whereby donations are up within 10 days and those kinds of details, such as whether they came through any kind of event, can be included .

Mr. John Nater: You mentioned as well—and I'm not as familiar with the Quebec system as some of my colleagues may be, but I'd like you to elaborate on donations over \$50 having to be done through Elections Quebec. Would you mind elaborating on that and how you might potentially see that happening at the federal level through Elections Canada? Could that system be mirrored?

Mr. Duff Conacher: Yes, there is another way to deal with it, and I'll mention it in a second, but Quebec essentially decided that even with the \$100 donation limit, one person from a big business with thousands of employees could walk into the party offices and say these thousand cheques are from their employees, wink, wink. Maybe the party would report it, but to prevent that situation, a donation over \$50 goes to Elections Quebec, which verifies it is from the person giving it and not someone giving it on another person's behalf, and then Elections Quebec forwards it to the party.

The other way to deal with that problem is to do what's done in the U.S., which is to require key identifiers of a donor to be part of what's disclosed. In this way, if you suddenly saw in the quarterly donations, or in real-time donations as in the Ontario disclosure, that 1,000 people had all given \$100 on the same day from this company, that would be a suspicious pattern that Elections Canada could quickly audit.

The Elections Quebec system is slightly better because executives and their spouses and their dependants could all have different last names. It can be difficult to track funnelling, and it's just better to limit it to \$100. You don't have to worry about funnelling so much, but an extra step to ensure it never occurs should be part of a democratic and ethical system.

• (1125)

Mr. John Nater: I only have a minute left.

Very briefly, you touched tangentially on the Ontario system, in which all politicians are forbidden from attending fundraising activities. That's not recommended in the bill.

What are your thoughts on that?

Mr. Duff Conacher: Ontario has gone too far, although not with their donation limit. If you have a \$100 donation limit, then any event that you hold is a democratic event because an average voter can afford to go, so there would be no problem with MPs or cabinet ministers having events. To make any money, they are going to be large and public, and having the disclosure of the events is a good idea to attract fundraising.

There should also be disclosure of who organizes any event, because that is the new game when donations are limited. It is about what's called "the bundler" in colloquial terms coming out of the U. S. That's someone who is able to get 200 people in the room who will give the maximum. Lobbyists are supposedly prohibited from doing that, but because the lobbying commissioner does no audits, it's very likely happening many times at the federal level. Only a few people have been caught.

The Chair: Thank you.

We'll go on to Mr. Christopherson for seven minutes.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Chair.

Thank you very much for being here, Mr. Conacher.

First, as you're one of the premier grassroots organizations, was there any consultation with your organization on the development of Bill C-50?

Mr. Duff Conacher: No.

Mr. David Christopherson: Not at all, before or after—nothing. That's interesting.

You raised a lot of interesting issues. I find it interesting too that you didn't spend a lot of time focusing on the details of Bill C-50. Is that because you just don't think it's making that much difference, and so you kept your comments at the macro level where you thought they would make a difference, or did you just run out of time?

Mr. Duff Conacher: No, it's just a bit more transparency. That's all. There aren't really any effective limits on cash for access or big money. The government is apparently looking at political finance and it seems a bit more focused on third parties more generally, but I'm appealing to the Liberal members to push their minister to address the whole system in whatever bill comes next, not just third-party spending, because the whole system is unethical and undemocratic and allows for cash for access and undue and unethical influence by the wealthy.

Mr. David Christopherson: Thank you.

I'll stay where you have gone, because I agree with you that this bill really doesn't do a whole lot. The government is trying to make it seem as though they're addressing the issue, and they aren't.

I want to go through some of the issues you raised. You mentioned the \$128 million in funnelling and you thought that if there was an audit done in Canada, we would turn up similar dollars. Could you expand on that for me, please?

Mr. Duff Conacher: Yes. Just to give Quebec a bit more credit, it was \$12.8 million in funnelling, not \$128 million.

Mr. David Christopherson: Sorry, I didn't see the decimal point there. It's \$12.8 million.

Mr. Duff Conacher: It's \$12.8 million over a five-year period, so it's a significant sum. It was what they thought was likely funnelled, because they identified executives giving the maximum, near the same time, from several businesses. The report is on their website. You can see the details.

Elections Canada, in response to some issues with that and other things at the federal level with some suspected funnelling in one riding in Quebec, was asked by the CBC whether they were looking in the same way. That was back in 2013, because the Elections Quebec audit had come out. Elections Canada said, "Yes, we're doing an audit as well of the 2011 election." First of all, that's not far enough back. Elections Quebec went five years back. This was in 2013. They should have gone back at least through the 2008 election as well. That's just looking at the election period; why aren't they also looking in between elections?

Those databases can be crunched pretty easily these days. It's all up there online. Why isn't Elections Quebec looking into who is giving the maximum? Just start with \$1,000 and above; look at all those people and see who they are. I haven't seen anything now in four years from them. I don't know whether they're doing it. I hope they are doing it.

Mr. David Christopherson: For something similar to take place federally, did you mention Elections Canada or the Auditor General? Where did you go in terms of how you thought we could tackle this federally, if we wanted to?

Mr. Duff Conacher: Elections Canada said they were going to do it in 2013. Here we are, four years later. We saw the compliance agreement with SNC-Lavalin over what they found with them from 2004 to 2011. It's hard for me to believe that only one company has done this in the period since corporate and union donations were banned on January 1, 2007. Possibly unions have done it as well. It was mostly businesses in Quebec that were doing it, but also a few unions.

Quebec had a \$2,000 limit, so it was a little easier to funnel a bit more money. If you're looking back, you see that we started with a \$1,000 limit, which was essentially \$2,000 in terms of what you put through a riding association as well annually. Now it's up to \$3,100, and I don't know where that audit is. You have to ask Elections Canada. They're the ones who said they were going to do it. If you do an audit and you don't find anything, you still issue a report saying you haven't found anything, but four years later, there's nothing.

• (1130)

Mr. David Christopherson: That's interesting.

Mr. Duff Conacher: The CBC article from 2013 in which the Elections Canada spokesperson is saying they were doing this is linked in the news release that I've submitted to the committee today.

Mr. David Christopherson: Very good. Hopefully that's something we can follow up, because that's what we do.

Mr. Duff Conacher: They should go back to 2007. Even better would be 2004, when corporate and union donations were limited to \$1,000 annually. That was effectively a ban. The audit should look at that whole period. Elections Quebec waited from the late 1970s until 2011 to finally do an audit, and what did they find? Funnelling. Why would Elections Canada wait 30 years, as Elections Quebec did?

Mr. David Christopherson: It does raise the question. Nobody suspects any corruption on the part of Elections Canada—at least I don't, and I don't know anybody who does—so it really does pose the question, “How come?” We'd be interested in knowing the answer.

Similar to that, you went on to talk about bundling. Are you suggesting that's their full-time job and that's how they're skirting the law—that by giving of their time to do it full time, they can organize maximum donations and events? Could you expand on that for me, please?

Mr. Duff Conacher: Under the Lobbyists' Code of Conduct—it used to be rule 8 and now it's rules 6 to 10—someone who should be registered but is illegally avoiding registration is not allowed to organize a fundraising event. This would hold even in cases of an unregistered lobbyist being on the board of a business or an organization, and we hope this standard will continue to be upheld by the lobbying commission.

We have received complaints about the Apotex chairman regarding the Morneau event that occurred in November 2016, and also about the event he held at his house in August 2015 for a Liberal candidate and Justin Trudeau, before Mr. Trudeau became Prime

Minister. We've also received a complaint about another board member associated with a company called Clearwater Seafoods who held an event in August 2014 for the Liberals. We don't know exactly where the lobbying commissioner is going to draw the line. We hope, however, she's going to say that if you're on a board or in any way affiliated with an organization lobbying the government, even if you're not the registered lobbyist, you cannot help with an event or do anything significant for anyone who is being lobbied by the company. We'll see. Hopefully, that line is drawn.

If you're not a registered lobbyist or affiliated with anyone but you want to have influence within the party, if the lobbying commissioner doesn't uphold a strict standard, even lobbyists who are not registered in the lobbyist registry could become board members of companies that lobby the government and be allowed to participate in these events. I'm sure this is going on. As a lobbyist, if you can get 20 people in the room who are each going to give \$3,100 to the party at that event, you are going to get your calls answered. You're a bundler, you're valuable to the party, and from that cash you will get access.

I will have more news on this topic very soon. It will be related to something that I think occurred last year, when bundlers were given a huge favour and access based on the fact that they were bundlers.

• (1135)

The Chair: Thank you, Duff, and thank you, David.

Now we'll go on to Ms. Sahota.

Ms. Ruby Sahota (Brampton North, Lib.): Thank you.

I'm finding your testimony very interesting. It's not something that I haven't already thought about, but being a candidate and having run for office now, I might think a little differently.

You mentioned that this piece of legislation creates more transparency. Do you agree with that?

Mr. Duff Conacher: Yes.

Ms. Ruby Sahota: Do you think this is a step in the right direction? Is it a step forward?

Mr. Duff Conacher: It's a tiny baby step, yes.

Ms. Ruby Sahota: Okay.

The acting Chief Electoral Officer was here earlier this week, and he thinks the existing legislation and the reporting rules now in place make a good balance. He thought it was a step in the right direction for transparency.

My question to you relates to our discussion about civic engagement and how some people who cannot spend time volunteering often make up for this by donating money. Do you think that reducing the amount that can be donated could be reducing some people's right to civic engagement?

Mr. Duff Conacher: If the amount that they can give is more than an average voter can afford, it's an undemocratic and unethical system right away. It violates the fundamental principle of one person, one vote. It's like saying if a person doesn't have as much time to volunteer for a party, they should have more votes on election day, a whole bunch more. We would never allow that. Why would we allow it with money?

Ms. Ruby Sahota: Earlier you stated that psychological studies have demonstrated that when a doctor receives free samples from a pharmaceutical company, it changes the way the doctor feels about that brand. Would you not say that about free services such as volunteering or door-knocking? Couldn't a candidate or an MP feel more favouritism towards the person who volunteered for them?

Mr. Duff Conacher: Yes, and the position of Democracy Watch and the coalitions is that volunteer labour should be tracked and disclosed. That's important, because another way that funnelling occurs is by giving people time off from their work, pretending they're not paid for the time off, and then paying them with a Christmas bonus for taking that time off and going out and helping a party or a candidate. Let's start with tracking volunteer labour, which is easy to do. A campaign knows its volunteers, so let's just put the volunteers up on a website as part of disclosure. The definition of "contribution" in the Canada Elections Act is money, property, or services. Volunteering is a kind of service.

Ms. Ruby Sahota: From my experience in my campaign, the majority of my volunteers and door-knockers were kids under 18. I don't know how people would feel about disclosing the names of children on sites already aligning them with a certain party over another. These kids have a future. They don't know what career they may want to get into. This could impact a lot of options for them in the future. They are just trying to figure it out, get involved, and see how they feel about a certain party. They may not even think they are NDP, Liberal, or whatever, but they want to get involved and learn more.

Although it seems as if you're solving one problem at the extreme end, some of these rules may be creating a lot of deterrents for people wanting to get involved at the grassroots level. I think—

Mr. Duff Conacher: Just to respond to that, essentially what you just said was that governments or others would discriminate in hiring, I suppose, and other issues based on which political party you volunteered with. You are saying that the Public Service Commission of Canada, and across the country, is not—

Ms. Ruby Sahota: I think a lot of people are hesitant to be labelled with a certain party if they want to be seen as non-partisan in any job in the future—of course.

Also, I don't know a whole lot about—

• (1140)

Mr. Duff Conacher: Okay, but they are making a donation—

Mr. Chris Bittle (St. Catharines, Lib.): Mr. Chair, I have a point of order.

Mr. Conacher hasn't interrupted any other members of the committee during their questioning. Perhaps he could be directed to wait for the end of the question before he interrupts.

The Chair: Let's just carry on.

You have a minute and 15 seconds.

Ms. Ruby Sahota: I have one specific question.

You mentioned somewhere that the more a person donates, the more benefit they get for tax credits. Could you clarify that? The way I understand it, the most you get is when you make that middle amount, about the \$400 mark. You get more in return for that. As your donation gets higher, the percentage of credit that you get back is less, according to Elections Canada.

Mr. Duff Conacher: That's true, but to get the maximum deduction, you have to donate the maximum amount. You are benefiting from being able to make that maximum donation. You can't get it unless you make that donation.

Ms. Ruby Sahota: Can you educate me a bit more about Quebec? When did they change their laws to make it the \$100 donation that you think is ideal?

Mr. Duff Conacher: That was in 2013, after Elections Quebec disclosed its audit, which showed that \$12.8 million was likely funnelled between 2006 and 2011.

They also had, of course, a huge corruption scandal, much of it rooted in the political donation system at the time.

Ms. Ruby Sahota: Has there been any examination of whether money is still being funnelled, at that lower amount? Have corruption and influence stopped in Quebec?

Mr. Duff Conacher: It can't legally be funnelled anymore. They've made.... The federal system legalizes funnelling and makes it very simple to do, because it's so wide open. Elections Quebec and the police in Quebec have not charged many of the people who gave that \$12.8 million. They can't. They go to the executive and say, "Was that your money? Did you decide to donate it?" They say yes, and the head of the corporation says yes as well. You can't charge anyone, because you need intent in order to charge them for a violation of the donation limit.

It has been made effectively illegal now in Quebec, because you can give only \$100, and if you give more than \$50, it's routed through Elections Quebec. It would be almost impossible to funnel a donation in Quebec now without getting caught.

The Chair: Thank you, Ms. Sahota.

Now we'll go into the five-minute round. We'll start with Mr. Richards.

Mr. Blake Richards (Banff—Airdrie, CPC): Thanks for being here. This is a related topic, but one I would love to have your comments and thoughts on.

You mentioned your ideas about the changes that you would like to see made to donation limits and things like that. There's already some concern out there about third parties working with, or allegedly working with, political parties to oppose another political party or a particular candidate, and things like that.

I wonder if lowering those limits might increase that sort of activity. Even since the election, we've seen organizations that are working with political parties or things like that. One example that comes to mind is the news reports from July about this organization called the Council of Canadian Innovators, which was set up in November 2015, right after the Liberal government was elected. In fact, I think it was a week after the government was sworn in that it was set up.

It has four full-time staffers currently, as of July, three of whom were former Liberal staffers. One was a former EA to the Minister of Foreign Affairs, another had been the Minister of Foreign Affairs' campaign manager, and their director of communications had been a spokesperson for Ontario Liberal cabinet ministers. In their fundraising letter that was sent out, they indicated that they would offer monthly meetings with the chief of staff to the Minister of Environment and Climate Change in return for a \$10,000 donation. That was one of the rewards you received.

Since then, apparently the minister's office felt that was something they wanted to correct. Actually, the chief of staff hadn't met with them monthly; he had only met with them three times since October 2016 up until July of this year. They said they needed to correct that so that it only indicates regular meetings rather than monthly meetings, which I'm not really sure solves any kind of problem that exists.

I want to hear your thoughts on this idea of organizations connected with a political party using those connections to fundraise for their organization and advocate for things that would align with the government or that particular political party.

Would you see that as another version of cash for access? I certainly would say it appears to me as something unethical and sleazy. Would you agree with that characterization? If so, what would you suggest be done to try to prevent those kinds of things from occurring?

• (1145)

Mr. Duff Conacher: Democracy Watch filed complaints with the federal Ethics Commissioner and the Commissioner of Lobbying about the Council of Canadian Innovators' appeal to its members, and also its lobbying activities overall.

They're registered to lobby Chrystia Freeland's department. They haven't lobbied her directly. Our position is that rule 6 of the Lobbyists' Code of Conduct means that if you are lobbying one of her staff or senior officials, you're lobbying her, because they're going to report what you said to her.

We filed a complaint saying that they are not allowed to do that. They can't be, because a co-manager of Chrystia Freeland's 2015 campaign is the executive director of the Council of Canadian Innovators.

If the Commissioner of Lobbying allows that, then that's what every lobbyist who might have helped a party or a candidate during the 2015 election will start doing: they won't lobby the person they worked for, they'll lobby their staff. That would just make the Lobbyists' Code of Conduct a huge loophole. It would be meaningless.

We're hoping the Commissioner of Lobbying will make the right ruling, which is that you can't lobby a minister indirectly and say you're not lobbying the person you worked for and helped get elected. Yes, you are. Why would you lobby the senior official if they're not going to tell the minister what you said?

On the Ethics Commissioner side, the Ethics Commissioner has sent back a ruling to us. We're questioning her, because she didn't even look at some of the facts of the situation and the issue of whether preferential treatment is being given.

You had also asked us about third parties. Generally Democracy Watch and the coalition's position is—and this is what the government is apparently looking at for another bill—that third parties should be limited in their spending for a longer period than just the election period campaign. B.C. has just limited it to 60 days before the writ is dropped, so it's essentially 90 to 100 days before election day. That's appropriate. B.C. is also—

The Chair: You're over time, Mr. Richards.

Mr. Blake Richards: I had a follow-up to that question, but I guess I don't have the time right now.

The Chair: We'll go to Mr. Bittle now.

Mr. Chris Bittle: Thank you so much.

Thank you, Mr. Conacher, for coming to appear before us today.

Democracy Watch is similar to a political party in that it relies on individual donations as its sole source of funding, correct?

Mr. Duff Conacher: Yes, that's right.

Mr. Chris Bittle: I notice on your website that there are different options that are similar to what political parties offer, in that someone can choose a different donation amount from \$5 a month up to \$100 a month. Are you more likely to answer the phone call of an individual who's donating \$100 a month to your organization than someone who's donating \$5 a month?

Mr. Duff Conacher: Yes, sure. I'm human.

Mr. Chris Bittle: Okay. That's fair

In the case of an individual such as Dan Aykroyd, who makes up half of your advisory committee and is a wealthy individual, you're far more likely to pick up the phone and answer his call than that of another member of your organization.

Mr. Duff Conacher: He hasn't donated in quite a long time—he lends his name—but yes, I think if Dan Aykroyd called, for a whole bunch of reasons I would take the call.

Mr. Chris Bittle: I guess if a ghostbuster is calling, you pick up the phone. That's fair.

In terms of your proposals, have you estimated what the additional costs to the federal government would be to enact what you're recommending?

• (1150)

Mr. Duff Conacher: The \$100 donation limit would cost nothing.

Mr. Chris Bittle: No, I appreciate that, but what would the costs be in terms of all of the other items?

Mr. Duff Conacher: If public financing were put in—and again, we think the case has to be made for it as well—our proposal is to start with a \$100 donation limit and see where the parties are at after a year. I think you'd find they were just fine. Some of them will be suffering, but only because they don't have a lot of supporters, which is a democratic way to be suffering under a political donation system that's democratic.

In terms of strengthening the enforcement and disclosure, the disclosure is already being done. I mentioned the Elections Canada audit. They don't have that much to do in between elections other than take in your annual returns and sometimes run a by-election. I'm not sure why they haven't been able, in the last four years, to complete this audit that they promised to do in 2013. I don't see any extra costs there at all.

Mr. Chris Bittle: On one of the issues, perhaps I don't quite understand how it's going to work out. We're all dealing with volunteers who are working at different speeds and not necessarily at our campaign offices nine to five throughout the week so in terms of donations being disclosed before the election, how can that be done realistically on the ground by volunteers for the candidates, especially in parties that perhaps aren't the major parties, parties that aren't in government and have much smaller organizations? Again, how much would Elections Canada have to expand to meet that need to get that information out before the election?

Mr. Duff Conacher: I don't think very much at all.

I appreciate that for some candidates it would be difficult, but leadership candidates do a disclosure every month leading up to the final week. If it were just one disclosure that had to be prepared a week before election day through an Internet system, this is what the Internet is for. You would just upload a comma-delimited file, and it would appear on Election Canada's website. It would be illegal for it not to be accurate. Elections Canada wouldn't have to do any verifying. They're still verifying some returns from 2015 from the parties, so that verification takes a long time, but just putting it up so that people could search it is not difficult.

Mr. Chris Bittle: In an ideal world, would there then be a ban on donations in the last week of the campaign so that individuals could have this information? How would this work in actuality?

Mr. Duff Conacher: In the leadership race, if you were to get more than \$10,000 in that last week, then you'd have to do one final disclosure. You could do the same thing for candidates. You're talking about \$100 donation limits, so if they're not getting significant amounts in, the disclosure wouldn't have to happen. You could even have a threshold for the overall disclosure, so that if you didn't raise a certain amount, you wouldn't even have to do the disclosure at all. You might just disclose the number of donors you have, not the names, etc.

I don't think it's a problem.

The Chair: Now we'll go on to Mr. Richards for five minutes.

Mr. Blake Richards: I guess we'll carry on from where we left off before.

I want to let you finish where you were at, and I had a follow-up question that came to mind as you were speaking.

Before we do that, you commented on the lobbying side of it in terms of lobbying a staffer who would then obviously report on the conversation to their boss, the minister. I don't disagree with you, but I want to ask specifically about the portion of it that appeared to be cash for access, this idea that they were offering meetings, regular or monthly or however they want to term it, with a chief of staff to a minister in return for cash for their organization. It's cash for access basically done a different way. It's not the political party, but it's an association that certainly, at least from all appearances, one could argue is affiliated with or closely related to the party, given the staff, and even putting that aside, this is a member of a minister's staff offering access to the government to an organization for cash. I'd like to hear your thoughts on whether you think it's inappropriate, and also on what we can do to prevent those kinds of things.

•(1155)

Mr. Duff Conacher: I didn't mention this in my complaint to the Commissioner of Lobbying, but I think I should follow up on it in that there is a requirement under the Lobbyists' Code of Conduct to lobby in a way that meets the highest ethical standards. I think sending out a letter like that would not meet the standard of that principle set out in the Lobbyists' Code of Conduct. Since CCI is registered to lobby the federal government, they have to follow those principles and all the rules in the code.

That's the way to stop it. You can't be offering the flip side of cash for access where you have the access and you want cash. If you make it explicit and say that you can guarantee something, you're into the Criminal Code's influence-peddling section. I think the lobbyists' code is there as a non-criminal civil ethics code way of stopping that, and the commissioner should rule on that issue in this situation.

Mr. Blake Richards: In terms of the third-party stuff, you were mentioning B.C. I'll let you finish your thoughts that you had there, if you can remember where you were going with it at that time. I think you said you thought that they were extending the reporting period out to 60 or 90 days prior to the election. I don't know, and maybe you won't either, whether B.C. has fixed election dates—

Mr. Duff Conacher: Yes.

Mr. Blake Richards: —because obviously the challenge there federally would be that if everyone knows when the dates are going to be, they also know the period of 60 or 90 days before the election, and therefore they could make sure everything came in prior to that.

Do you see that being a problem, and how would you see a way around that? I'll let you finish your thoughts.

Mr. Duff Conacher: It's a limit on ad spending during that 90-day period. Democracy Watch and the coalition's position is that a four-to six-month period is entirely appropriate. They're doing three months, and extending that even further is entirely appropriate.

What B.C. has done is that if you make a contribution to a third party that's going to be used—this is in the proposed bill, Bill 3—for government advertising, then it is limited to the limit they're setting on individual donations of \$1,200, and it has to be designated as a donation for government advertising. Someone can donate a larger amount—a foundation can give grants to an organization or an individual can give a larger amount than \$1,200—but that donation cannot be used in the advertising campaign that the third party might do.

Democracy Watch and the coalition agree with that limit. As well, it should be lower than \$1,200. It should be \$100, in the same way that you would limit candidates to receiving \$100. Third parties could get huge grants from foundations for their programming, but in the case of election ads, they would have to get them in donations of \$100 at a time.

It will be interesting to see whether that limit is challenged in B.C. when it's enacted, but in principle, it's democratic and ethical to limit the donations by third parties to those advertising campaigns.

Mr. Blake Richards: Are you saying that you're okay with unlimited contributions coming in if they're not for advertising, or are you thinking that they should be restricted on other types of spending as well, because that's—

The Chair: Please give a very short answer. Your time is up.

Mr. Duff Conacher: Democracy Watch's proposal is that in between elections, there would be disclosure of how much each lobbyist or lobby group is spending on their campaigns. This is something we've proposed now for 24 years to the federal government.

When we see that disclosure, if we see that one side or another on any issue has millions and the other side just has thousands or hundreds, then we can see whether that's a problem and we need to actually limit donations in between elections.

In limiting them leading up to an election, it's entirely appropriate to start with that.

The Chair: Thank you, Mr. Conacher, for coming. You've provided some very interesting ideas. We certainly appreciate it. It was very helpful for our study.

Mr. Duff Conacher: Thank you for the opportunity, and I wish you luck in your deliberations.

The Chair: Thank you.

We'll suspend while we change witnesses here.

•(1155) _____ (Pause) _____

•(1205)

The Chair: Welcome back to the 72nd meeting of the Standing Committee of Procedure and House Affairs, where we are currently studying Bill C-50, an act to amend the Canada Elections Act in relation to political financing.

Our witness in the second hour is Jean-Pierre Kingsley, Canada's former Chief Electoral Officer from 1990 to 2007, certainly an icon in Canadian elections history. I'm sure people who have been here a long time, such as David and Scott, know you well from previous meetings and previous topics.

We're very excited to have you here today. We look forward to your opening comments.

[*Translation*]

Mr. Jean-Pierre Kingsley (Former Chief Electoral Officer, As an Individual): Thank you, Mr. Chair.

I will need only five or six minutes for my opening remarks. The first part will be in French.

[*English*]

The second part will be in English. I will switch only once, except for question period, obviously, if there is one.

[*Translation*]

I always begin my remarks by saying what a privilege it is to appear before you. You represent the Canadian people, and it has always been a tremendous honour for me to serve Canadians through members of Parliament.

I believe this is the committee's 72nd meeting, Mr. Chair, and I would venture to say that I am the person who has appeared before this committee the most since 1990. I may be mistaken, but it may be worth checking.

This bill concerns two important elements. I think that any bill amending the Canada Elections Act, by its very nature, is significant since it is separate from any other piece of legislation.

My comments are based on my understanding, in other words, my interpretation, of the bill. When I would prepare for a meeting like this, I would always keep in mind the important involvement of my staff and all the work they did leading up to my appearance before the committee. Today, I am here alone, so I will be raising questions rather than providing answers or feedback.

I took note of some of the comments that were made in the media, the minister's opening remarks, and the statements of the acting Chief Electoral Officer. I also noted the document of so-called technical amendments the acting Chief Electoral Officer had submitted as an attachment. I was surprised to learn that such consultation had not taken place prior to the document being submitted.

In the past, during most of my tenure as Chief Electoral Officer, I would be given a copy of the bill so that similar technical amendments could be considered beforehand, even though the committee might not agree with them going forward. Nevertheless, there was some initial awareness.

[*English*]

Money in politics is the toughest topic in the world concerning democracy—not only in elections, but concerning democracy. Canada's system, as was mentioned by the minister, is effectively second to none. The reputation is there. However, most unfortunately, the number of followers is few and far between. It is the toughest topic.

Canada has succeeded over the last 15 or 20 years in coming out with a regime that, in my mind, is exemplary. Therefore, the changes that are contemplated must always weigh the value of the change versus how it would impact on the Charter of Rights, the right to be a candidate, the right to contribute, freedom of speech, and freedom of association. It is against that background that I always make my comments before you.

I will be commenting more with respect to the first aspect of the bill. It deals with the timely, or more timely, reporting on fundraising events. I was wondering why would this not occur during an election period. Why is this an exception? If there is a time when people really need to know who is contributing, it is during the election period. We don't have this reporting now. This bill would prevent that from happening at this critical moment in the existence of a democracy.

Why is there an exclusion for individuals from reporting? Why are 18-year-olds not reportable as attendees or contributors? Under the present law, the name of a Canadian who is under 18 years of age appears if the person makes a contribution. There is no exception by age. There is an exception if you're not a Canadian, obviously, and if you're not a Canadian, you can attend but you cannot contribute.

• (1210)

Part of the reasoning of the bill is to make it known who is attending as well as who is contributing, so I don't think that excluding them automatically is necessarily a good idea.

I would also make a comment about the staff of the person organizing it. There are staff members in the Canadian political system who are exceedingly important, and their attendance at an event carries weight unto itself. So the automatic exclusion of those persons from being named, I think, turns us away from the purpose of the statute.

What I'm really saying is that we should be following the rules concerning donations from those under 18 years of age. You can have a six-year-old making a contribution in Canada. There was this debate at one time, because there was an exception for a family making contributions which effectively made the family exceed the limit but not the individuals. I was asked at the time whether there should be a law against this, and I said no, because we have to be careful about how much we put into the statute or the regulation, and we have to let people come to their own conclusion if they find out that a six-year-old contributed.

As I read the bill, there are persons or entities who would be organizing events beyond the existing ones under the Canada Elections Act. These are all the different agents of parties and local riding associations. I'm asking the question quite honestly: Who would these people be? They would be people who support either the party or a particular candidate or an existing member of Parliament. If this is to occur then it has to occur with the knowledge beforehand of that public office holder—I did not see that in the bill, although maybe it is in there—and not after the fact, with a person having organized something for us—thank God—and having done half the organization and spent half the money. We cannot have that. We must follow the rules about who can spend monies under the Canada Elections Act.

What it raised in my mind was a question of whether there is a tie-in lacking about third parties here, someone out there, an entity. What is an entity beyond the entities under the statute? If it's an individual, is that person effectively engaging in what we would call a third-party activity? Is any advertising taking place before the other entities come in? There are anti-collusion measures under the statute. I don't know if this ties in to the third-party regime, but one also considers, as we saw, that foreign monies can get into third parties under the present statute. I thought I would raise this as a concern. It may not be valid in terms of what the bill says, but it lit a light.

The \$1,000 penalty for a summary conviction, I found to be low. The entities that would be charged are entities—parties, etc.—that effectively have money or should pay more for that. I don't think there's anything left that's a penalty of \$1,000 under the statute. I think we got rid of that in the 1990s and maybe early 2000s, so I was surprised when I saw that. I said we're certainly not talking about a deterrent. The deterrent of course is the summary conviction, but still there should be a penalty. I know that the monies will be forfeited that were gathered at a wrongfully held or a wrongfully reported event, but still I found it odd that it was so low as a penalty.

What this bill raises with me, by the way—I was alluding to this in my earlier remarks—is the whole issue of the timeliness of reporting contributions. Of course, there are expenditures here, but reporting contributions.... There are regimes in different parts of the world where the reporting has to be quasi-automatic. Within 24 hours, the candidate and the party have to report, and it's published on websites so that people know who's contributing as the event is unfolding.

• (1215)

I will admit that the limit of \$1,550 right now is a very reasonable one and should not lead one to suspect that an individual is trying to do something wrong by contributing that. There are relationships that are made when firms, or partners of firms, or people working with the same organizations, all participate in an event. This bill will help us to understand those better, so that's good.

With respect to the definition aspect—and this is going to be my last comment—and the separate reporting for leadership and nomination contests, this is the way the statute has been interpreted, and I suspect that putting that in the bill is meant for greater certainty.

Those were my introductory remarks, Mr. Chairman.

Thank you very much.

The Chair: Thank you very much for your very interesting points.

Now, we will go to a seven-minute round and we'll start with Ms. Tassi.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Kingsley, for being here today. It's very nice to meet you. Thank you for your presentation.

The purpose of this bill was to increase openness and transparency with respect to political fundraising events. Do you believe that this bill does that?

Mr. Jean-Pierre Kingsley: It does increase transparency and openness.

Ms. Filomena Tassi: Thank you.

Also, this goes further toward broadening the application to include nomination and leadership bids. Can you comment on that? Is that important? Is it a good thing that we are now applying the rules to those situations as well?

Mr. Jean-Pierre Kingsley: This approach is called a sunshine approach in the nomenclature, which is to say don't try to prevent it from happening; try to get the sun to shine on it. You let the sun shine on it by letting people know. If you're not going to prevent it, letting people know is always a good thing, because then they can make up their own minds.

Extending it to all those players is a good thing, of course.

Ms. Filomena Tassi: Okay.

What's your feeling with respect to the figure of over \$200? Do you think that's the right figure?

Mr. Jean-Pierre Kingsley: It has been in the statute to make a contribution of over \$200—a net contribution, so if you remove the price of the meal and whatever else is included in organizing an event, then it's more than \$200. I find it reasonable. I wasn't prepared to comment on that, but I will comment. I didn't have a problem with it when it came in, and I'm glad it's not indexed, because it's a reasonable amount.

• (1220)

Ms. Filomena Tassi: I'm interested in the list of exclusions, in terms of your comments on the list of those who are excluded from having to record their names. You mentioned age, and I have a concern with respect to your comments on age. As a young girl, I was taken to many political fundraisers. My mother took me, because she was very involved. As a mother, I don't know that I would want my daughter's or son's name showing up on a list simply because I was there with them. As a mother, I don't know that I'm comfortable with that.

I can understand if a donation is made, since that's a different act or gesture. However, if I have my son or daughter, who is four years old, with me, and I am bringing them to a political fundraiser because I want to be with them and I want to introduce them to this group or whatever, do you not see that there's some concern with just opening it up and saying that attendees of any age have to be included on the list?

Mr. Jean-Pierre Kingsley: Certainly, in terms of a contribution, the statute should apply, even if the person is not attending, which can occur. So in the particular circumstance you have described, I can see that it would be reasonable to simply state your name and the fact that there were one or two underage family members, but not the names.

Ms. Filomena Tassi: I see.

Mr. Jean-Pierre Kingsley: To indicate that there were family members with you, who were less than 18 years of age, and the number of them, would be a reasonable compromise here.

Ms. Filomena Tassi: Why do you think it's important that the family member is noted or mentioned? Why is it important that I decided to bring my son or daughter who is four years old?

Mr. Jean-Pierre Kingsley: Well, not all of them are going to be four years old. Some of them are going to be 16. Some of them are going to be 17. So maybe we should make the age lower. Maybe it should be age seven and under. You see what I'm saying. If there's going to be an exception, I would rather it be possible for people to inquire about what happened. The person would say, “well, they were my four-year-old daughter and my five-year-old son”, end of story. However, it could be that they're not family members. They could be attending with someone who is not a family member.

Ms. Filomena Tassi: In that case, you mean an aunt or uncle.

Mr. Jean-Pierre Kingsley: Or you could have a business associate who brings in another person, the son or daughter of someone else.

If it's sunshine we want, then we have to make a decision about how far we go. It would be important to release that information, without naming if you don't want the name to appear.

Ms. Filomena Tassi: I understand that you're trying to limit the number of exclusions, but a suggestion came up previously in our discussions about a personal support worker. Would you be comfortable if a personal support worker was included in the list of exclusions? It currently is not there, but it has been suggested that it be added.

Mr. Jean-Pierre Kingsley: Yes, if this is the main occupation of the personal support worker and obviously if they did not make a contribution beyond \$200.

Ms. Filomena Tassi: With respect to staff members and what you're suggesting, how would you obtain your objective without taking away staff members from the exemption list?

Mr. Jean-Pierre Kingsley: That's not easy, but I would certainly say chiefs of staff of the Prime Minister or ministers, senior assistants, senior policy assistants, and things like that.

Ms. Filomena Tassi: So you're saying it should specifically list certain positions.

Mr. Jean-Pierre Kingsley: That's right.

Ms. Filomena Tassi: You mentioned the \$1,000 penalty as being low. The other issue that has come up is the money returned. The money returned for non-compliance is the full cost. It's not the net profit. Do you have any comments on that?

For example, if I'm running a fundraiser and I'm charging \$100 a ticket but the event is costing me \$50, if I'm not in compliance, I have to submit the whole \$100.

• (1225)

The Chair: Keep the answer very short, please.

Mr. Jean-Pierre Kingsley: If I had my druthers, I would say the penalty is double what you picked up, end of story, so that we would have a real deterrent to this occurring, to people not following the law. There has to be something major and important about not following the Canada Elections Act in terms of penalties associated with those infractions.

The whole issue is a level playing field, and you can't have people fooling around with it. There are other sections of the statute that say the penalty is double: double this, double that.

I know I'm not going to make many friends by saying it, but it should be double what you picked up.

The Chair: Thank you very much.

Now we'll go to Mr. Reid for a seven-minute round.

Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC): Thank you.

That's actually an interesting suggestion. The minister has invited us to come back to her with suggested amendments, and perhaps the double number might be one we'd put in there, so thank you for that.

You talk about the importance of a deterrent actually having a deterrent effect. Politics being what it is, money that is available to me prior to the writ is more valuable than money that I have to pay back in some form of penalty after the writ, for reasons that are obvious. I can't spend money I don't have. When it's a fundraiser taking place now, a couple of years before a writ, presumably if we are in some respect non-compliant, if it's a fundraiser for me and I'm present, and I'm the leader of a party, and all those things that are required, and then it turns out that we've been in violation of the statute, we'd pay back a penalty that, as you suggest, is double the amount. That's presumably the process.

That's assuming the process is not very slow and that it all occurs between now and writ 2019. However, for an event in the election writ period, it would be a different story. There are other transgressions that occur during writ periods. There must be some other way of dealing with them. I'd be interested in your thoughts on how to deal with that.

Mr. Jean-Pierre Kingsley: During an election, the commissioner can investigate a matter that is ongoing when it's brought to his or her attention and can then obtain a cease and desist order against the people who are committing it on the basis that if they stop doing it right now, we will not be proceeding against them. This happens during an election. You can also have a chief electoral officer say that, but without having the right to say, "I will not be doing anything further."

You can also do something else, which has not been prevalent. I can't remember it happening. You can go to court and obtain an injunction if you're the commissioner. That has not happened very often.

Mr. Scott Reid: I have some experience with that. My second nomination in 2004 was halted due to an injunction from somebody who felt that he had been wrongly excluded from being able to participate in the nominations. We had to reschedule it after a court had a chance to look at the details of the case, and it decided that his case was not valid, so I know how that works. The bigger problem was that we had to figure out whether it was actually a new contest or the same contest continuing, for expenditure reasons. That was a lively story, which you may recall from the recesses of your memory. You were the CEO at the time.

What strikes me about what you suggested about cease and desist orders, or indeed any action, is that the Chief Electoral Officer can

act only if the Chief Electoral Officer is actually aware of what's happening. The after-the-fact reporting mechanism this statute contemplates for writ period events would seem to preclude that possibility. Effectively, public oversight would be blind during that period and until after the electoral event was actually over.

Mr. Jean-Pierre Kingsley: I agree. That's what I was saying. This whole bill raises the question of the timeliness of all reporting of all contributions during the campaign.

One could say, with respect to political parties that have representation in the House, that this applies; for others, because they don't have the same resource base, perhaps it does not. There can be a cut-off. We're dealing with very sophisticated computer systems now. You can transmit this stuff so instantaneously, it's amazing that we're not doing it now, frankly, even for candidates of parties that are represented in the House.

• (1230)

Mr. Scott Reid: Essentially, it would be fairly easy, then, to put an amendment into the bill that would remove the exclusion for writ periods.

Mr. Jean-Pierre Kingsley: I don't know how easy it would be politically, but I leave that up to you. Technically, yes, it would be an amendment to the statute.

Mr. Scott Reid: Okay.

You had an interesting way of phrasing this. In the very beginning of your remarks, you described this as being the "more timely" disclosure of information, which suggests to me that you are of the view that most of this information is available anyway. Is that what you were trying to get at, or were you trying to get at something else?

Mr. Jean-Pierre Kingsley: I was trying to get at something else, which is the fact that we will now know earlier who's participating in those fundraisers than we knew previously from a quarterly report or, during an election, six months after, or, if it was a candidate, four months after. That's when we would find out. It's going to be more timely under this statute, but it will not be as timely as I think it should be, which is what I was alluding to.

Mr. Scott Reid: Thank you very much.

The Chair: Thank you.

I don't know if the committee wants to break into song first, but it will be Mr. Christopherson's last input at this time.

[Members sang Happy Birthday]

Mr. David Christopherson: Oh, I thought I was being fired.

Thank you very much, colleagues. That's very generous of you. I just wish they didn't come around so quickly.

Thank you very much, Mr. Kingsley. It's good to see you again. It's been quite a while now. I want to underscore not the contribution you made when you were in the position but the fact that you have consistently, since then, gone out of your way to bring your expertise here. You continue to be an amazing public servant. We appreciate everything you've done. Thank you so much.

Mr. Jean-Pierre Kingsley: Thank you very much.

Mr. David Christopherson: I want to start off, if I can, following up on what Mr. Reid said, which I thought was a very poignant point, about how it means a lot more to him as a candidate, and therefore to all of us, to get the money sooner rather than later.

I hate to do this to you, but maybe I'll just take advantage of it being my birthday, and you'll allow me a little latitude.

I want to tell you a joke. It actually belongs—to give attribution—to Bud Wildman, who, as any of you would know, was a former Ontario cabinet minister with a huge personality, an amazing guy.

He tells this story—I'll do the accent but I can't do it justice; he did a much better job—about Huey Long back in, I think, the 1920s or 1930s, give or take a couple of decades. He was a governor, and ethics wasn't exactly his long suit. The story goes, or at least the joke goes, that Huey was meeting with a whole lot of his big contributors and he said to them, basically, you can give me a lotta money right now and get a nice big piece of the pie, or you can give me the money a little closer to the election and get a smaller piece of the pie, or you can give me the money after the election and get good government. I like that joke. I've always liked that joke.

I can't do it justice, Bud, but there you are; you live in infamy through your jokes.

Mr. Scott Reid: That's actually a remarkable southern accent. That's a Louisiana accent. Well done.

Mr. David Christopherson: Thank you. You're one of my more learned colleagues, so I take that as high praise. Thank you.

To get a little more serious here, you were asked a question by a government member as to whether or not this provided any increase to transparency, and you answered that it does. My question to you is, does it do it sufficiently?

Mr. Jean-Pierre Kingsley: I would have to say that it stands on its own right now. I've indicated to you what I think could be areas for improvement so that transparency would be enhanced, and I've indicated the exception rules. I've indicted what is happening. Who are these people who can organize these events? They're not named; it says individuals and entities, so what are we talking about? That one's not clear to me, so all these things need to be clarified so that we have a clear idea and Canadians can then make up their own minds about what's going on.

●(1235)

Mr. David Christopherson: Thank you.

You're the second one to raise this issue of not just ministers and decision-makers but also their staff being there. As a former Ontario cabinet minister, I can tell you that the influence of the chief of staff and the senior policy people you mentioned is huge.

Most ministers are not experts in every area that they're making decisions on, and they rely on advice: professional advice, technical advice, and political advice. At the end of the day, often the last meeting you have is with your own personal staff as you're making a final determination. I just wonder if there were any other titles or anything else that you want to expand on, because the question has come up before—and it's a legitimate issue, I think—as to whether you can have effective lobbying by only meeting with the minister.

I would say, in terms of the impact of meeting directly with the minister versus with the staffer, that you might even get more attention out of the staffer, because most politicians are thinking 16 different things at once, especially if they're at an event and looking here and there, whereas the staffer tends to be more focused. I think it's a really important area that's being overlooked, and any further expansion of your thoughts would be helpful, sir.

Mr. Jean-Pierre Kingsley: It may also be helpful to review the statute on lobbying, and see what it says about these office-holders. I can't remember offhand, but they may delineate office-holders for whom reports must be provided by people who have access to them. That may be helpful as well.

I was also thinking of executive assistants, and I'm not thinking only of ministers. I'm thinking of leaders of parties as well. It may be that the chief finance critic of a party is also someone whose staff has importance. It may seem as though that goes a long way, but then it's much easier if you make it such that all these things have to be reported anyway, in an exceedingly timely fashion, within a day or two and shared automatically from one web to another. Then the Chief Electoral Officer wouldn't have to go look at the Conservative Party website to find out if an event was held; he or she would automatically be given that information and could act accordingly—immediately—to ensure that people were following the law.

Mr. David Christopherson: We've had that suggestion too. That's something else we should look at.

In my final minute, I'll just add my voice on the idea of increasing the fine. I suspect there may be room where we can find common ground. You're right. In terms of trying to influence politics, if you're playing with this amount of money and you skew the rules, especially deliberately, 1,000 bucks in that game is the price of doing business; it's not a deterrent.

I'll just end by saying thank you again, sir. It's always good to see you. I hope you're enjoying your well-deserved retirement.

Mr. Jean-Pierre Kingsley: I am very much so. That's why I'm here.

Some hon. members: Oh, oh!

The Chair: Thank you. I'm sure Mr. Christopherson voices the sentiments of all the committee for your great public service over your career and for your retirement.

We'll now go to Mr. Graham for seven minutes.

[Translation]

Mr. David de Burgh Graham: Thank you, Mr. Chair.

Mr. Kingsley, it's a pleasure to be speaking with a francophone witness. It doesn't happen often here, so this gives me a chance to speak French.

I have followed you since you became Chief Electoral Officer, when I was nine years old. You've been a part of my political life since the very beginning, so I thank you for that.

Mr. Jean-Pierre Kingsley: That's deeply touching. Thank you very much.

Mr. David de Burgh Graham: During your opening remarks, you said that money and politics was a tough topic to discuss. There is no doubt about that.

What alternatives to money in politics do you see? Do you see any?

Mr. Jean-Pierre Kingsley: I see not a one, and that's why I have always preferred reasonable rules when it comes to political financing.

I was never a fan of lowering the contribution limit to \$100. I don't think that's reasonable. Some balance and a certain amount of public support are necessary. Achieving total financing fairness is impossible. Some parties, and even candidates, will always receive more support than others. That's the nature of the beast.

The limit is not what needs changing. Instead, what we need to do is set the limit at a level that prevents excessive financing. That was a hugely important consideration in the Canada Elections Act when very significant measures were taken to impose these limits on spending and contributions, and do away with corporate, union, and association contributions. Today, only individuals, in other words, Canadians, can make a financial contribution to a party during an election. That's a crucial piece of our legislation.

● (1240)

Mr. David de Burgh Graham: When you took office in 1990, where did Canada's election financing legislation stand?

Mr. Jean-Pierre Kingsley: There wasn't any.

Mr. David de Burgh Graham: There weren't any limits or rules?

Mr. Jean-Pierre Kingsley: No. Some banks would donate \$50,000 or \$60,000. It depended on the party. If the party was in power, it would receive \$50,000, and the opposition party would get \$30,000. Do you see what I mean? They would play both sides and make sure to provide at least some support. All of that ended in about 2004.

[English]

Mr. David Christopherson: Not to everyone; to everyone they thought they were going to get into power.

Some hon. members: Oh, oh!

Mr. David Christopherson: I'm not good at that.

[Translation]

Mr. David de Burgh Graham: It was per vote subsidies.

[English]

You were in power at that time.

It's a qualifier.

[Translation]

No doubt, you had numerous conversations with other governments, internationally speaking.

Canada is often said to have an excellent system. Are there other countries with models we should follow?

Mr. Jean-Pierre Kingsley: Yes. I can give you an example of one country that is important to us: Great Britain.

We shouldn't copy everything Great Britain does, because its contribution limit is, in fact, excessive. However, in Great Britain, airtime during election campaigns is free for all parties. That means parties can reduce their spending by 50% to 60% during a campaign, considering how much they currently spend on airtime. The need to fundraise diminishes accordingly.

That's one thing that comes to mind from a financing standpoint, but it's just about the only measure in Great Britain that we should endeavour to replicate.

Other countries do it as well. We don't feel as close to them culturally speaking, though, so their experience may not seem as relevant to our situation. I opted to use Great Britain as an example because it would be hard to argue that it isn't comparable to Canada.

Mr. David de Burgh Graham: It seems to me that Great Britain's spending limit is in effect between elections, not just during the election period.

Mr. Jean-Pierre Kingsley: It applies broadly and is a measure that the federal government should consider. Canada adopted fixed election date legislation, but thus far, adherence to the legislation has generally been the exception, rather than the rule. That has had a warping effect on political financing. Third parties can actually go right up until the day the election is called. We saw the result of that during the last election: it created a system that many felt was wrong.

I think Canada should consider the fixed date elections measure and decide that the election period covers the six months leading up to the election; in other words, all the financing provisions would apply retroactively for a period of six months prior to the election being called. The limit would apply to that period, and third parties would have to register from that point on.

I've never been in favour of the legislation because it goes against what our parliamentary system is meant to be about. Nevertheless, since it does exist, we should make sure that, in terms of financing, the measures around spending limits and the rules governing third parties are still meaningful.

Mr. David de Burgh Graham: That's interesting.

I'm going to switch gears now.

You talked about the people to whom Bill C-50 should apply: ministers' agents, opposition leaders, and third parties. Who are all the people you think the bill should apply to?

Mr. Jean-Pierre Kingsley: The bill should apply to anyone who helps organize or finance a fundraising event for a candidate or party.

Mr. David de Burgh Graham: Who would have to be invited to the event in order for it to be subject to Bill C-50?

Mr. Jean-Pierre Kingsley: Forgive me, but I didn't understand the question.

● (1245)

Mr. David de Burgh Graham: Currently, it applies to ministers, opposition leaders, and third parties. Is that sufficient?

Mr. Jean-Pierre Kingsley: Now I see what you're getting at.

I think that could work to start. Then we could see how things go. I wouldn't want to take it too far right off the bat.

I see the Canada Elections Act as a dynamic statute. We need to exercise care before changing the financing provisions. We shouldn't move too far towards one extreme because it could create distortions. We've created something that holds up quite well, comparatively speaking, and is more or less equivalent.

Mr. David de Burgh Graham: You brought up adequate financial penalties. You said that \$1,000 was too low and that the amount should be doubled.

From your experience as Chief Electoral Officer, which penalties would you say worked and which ones had no effect?

Mr. Jean-Pierre Kingsley: That's a tough question to answer.

There was a very significant bill dealing with penalties because they had become so ridiculous that people knew they were useless. The penalties meant nothing.

I simply said that the penalties should be severe and equivalent to what used to apply when other provisions of the Canada Elections Act were violated, under the version passed in 2006, if I'm not mistaken.

[English]

The Chair: Thank you, Mr. Graham.

Now we'll go to a five-minute round, and we'll start with Mr. Richards.

Mr. Blake Richards: Thanks, Mr. Chair.

Thank you for being here.

I don't know if you've been following any of the other meetings that we've held on this topic. In questioning, my colleague Mr. Nater discovered a couple of things that would be considered fairly large loopholes—ones you could drive a bus through, essentially. I just want to run the two scenarios by you and get your thoughts on them, as well as—if the committee feels it appropriate to try to find ways to amend the legislation to fix those lapses—how we might approach those. You'd be able to provide some advice on that, I'm sure.

The two scenarios he identified were as follows. The first is in relation to the notice period. It's a five-day period, but this loophole was identified. Let's say the Prime Minister was going to be attending a function and didn't seem to know he would be there until maybe an hour or two beforehand, and that change was suddenly made. That takes away that notice to the public, but it would still comply with the law because after the five-day period it could be amended without any real consequence, I guess. What could we do about that?

The other scenario is this idea of the \$200 limit. What would stop the Prime Minister from attending an event where the ticket price was \$199 and then later on, at the event, everyone who attended just happened to give another \$1,351, so they ended up giving the maximum contribution? They were not required to do that to attend the event, but they all somehow just happened to do it.

I suppose there is a possibility you could actually mix those two things, and it would be even more of a loophole.

I want to hear your thoughts on whether you see those things being problematic, and if we were looking to try to fix those loopholes, what we would do to fix them.

Mr. Jean-Pierre Kingsley: With respect to the first one—and this is after a few months of reflection—the notice should indicate who the officials are who will be in attendance and whether the Prime Minister will be there. If not, if the head of a party or the minister's name is not on the notice, then they cannot attend.

Mr. Blake Richards: It's as simple as that. There couldn't be a last-minute change. It would just be that if they're not on there at a certain point in time.... Is five days reasonable, or do you think it should be longer than five days?

Mr. Jean-Pierre Kingsley: I'm willing to see what five days gives us in terms of a system. I'm willing to see what that gives us. It's a lot better than what exists.

• (1250)

Mr. Blake Richards: What you'd say is five days, though after that five days, there could be no additions.

Mr. Jean-Pierre Kingsley: Yes. Making it five days means that people should have a very definite idea about who will be attending. I don't mean the attendees; I mean which functionaries, which ministers, or which party leaders or whoever. That would be part of the notice. Then the media would perk up and say that the finance minister or someone else is going to be there, and that would make people twig.

With respect to the \$199 and the \$1,350, that's the kind of finagling that will get caught because of the reporting requirements regarding money. If it were to be instantaneous or quasi-instantaneous, as I've said, then it would be caught automatically and immediately. It'll be caught over time now, and obviously the price paid will be after the fact, which is not desirable. I don't know if there's a solution.

Mr. Blake Richards: But I don't think there would be anything illegal about it, right? It wouldn't be prevented. We would know certainly that it's the case if someone did the work to do the linkage, but there's nothing that could be done right now to prevent someone. This law wouldn't prevent that. It would still be lawful.

Mr. Jean-Pierre Kingsley: I'm agreeing with you, and I'm also saying I don't know what the solution is.

Mr. Blake Richards: Okay.

Mr. Jean-Pierre Kingsley: I found a solution to the first one, but I didn't find a solution to the second one.

Mr. Blake Richards: I appreciate that, and if you do happen to think of something at a later date, say some night you're not able to sleep or something, we'd be happy to hear it. Send us a—

Mr. Jean-Pierre Kingsley: I'll give you a call the moment I'm not able to sleep. Have I got that right?

Voices: Oh, oh!

Mr. Blake Richards: You know what? Odds are that would probably be the case for me, too.

Thank you.

The Chair: Thank you.

We'll now go on to Mr. Bittle for five minutes.

Mr. Chris Bittle: Thank you so much.

You said that, to your mind, you weren't going to make any friends if the appropriate penalty for the party was double the contribution, but you also questioned whether the appropriate penalty on summary conviction for the individual should be higher than \$1,000. Is there an appropriate penalty that you have in mind?

Mr. Jean-Pierre Kingsley: Yes, I'm thinking \$5,000 for an individual candidate, something that makes the person think that there is a price for breaking the law. I don't think \$1,000 quite does it, frankly. I think \$5,000 starts people thinking, especially if they also have to remit double the amount of money that comes from the association, but something should be tied to the individual as well.

Mr. Chris Bittle: Is that in keeping with other provisions in the act?

Mr. Jean-Pierre Kingsley: The \$5,000 is. I don't remember them all, by the way, but I do remember that \$5,000 for certain infractions.

Mr. Chris Bittle: You mentioned that you had an opportunity to look through the technical changes, and you expressed some concerns about how they came about. In terms of the changes themselves, are you supportive of them? Do they seem reasonable to you? What are your thoughts on those changes?

Mr. Jean-Pierre Kingsley: I proposed additions to those changes, but those changes are okay, yes.

Insofar as technical amendments are concerned, I really left those up to Stéphane Perrault to handle, because I really don't have the staff to go through all of this in detail.

Mr. Chris Bittle: With regard to donations being made available instantaneously or in a very rapid turnaround, in my experience in a campaign, when you have a limited window—and I guess in most campaigns—it'll be about \$100,000 per riding depending on the size of the riding, you can have only so many paid staff. My financial agent had a full-time job and he came when he could.

A lot of people still like to donate by cheque and don't trust the Internet, so cheques pile up and may get deposited only every few days or so. Maybe 10 years from now everyone will be donating online, and it will become easier, but in the current climate, especially if you have a Liberal candidate in rural Alberta who may have a very small organization or similarly a Conservative candidate in downtown Toronto, it's not equal. I don't know how we can get that quick turnaround, especially at the local level, in terms of donating.

Mr. Jean-Pierre Kingsley: Let's start with the parties, and then see how far and how fast we want to progress to individual candidacies. There's no reason why any party represented in the House of Commons shouldn't be under the obligation to do that.

• (1255)

Mr. Chris Bittle: I really have nothing further at this point.

The Chair: Thank you.

We'll go on to Mr. Nater.

Mr. John Nater: Thank you, Mr. Chair.

Thank you again, Mr. Kingsley, for joining us.

I have just a couple of brief questions, so I probably won't use my full five minutes. I do want to go back very briefly to the 18-year-old limit for reporting of names, because that was something that jumped out at me as well when the minister was here, and she didn't actually address it. I suppose I probably made a bit of a joke at the time, saying it should be the Joe Volpe rule, and so she may have glanced over the issue. I would appreciate your comments on the name of an attendee, who may be 16 or 17 years old, at an event being reported. I think it does generally make sense. I accept Ms. Tassi's comment about a three-year-old. I have a three-year-old and a one-year-old, and they join me at most community events because that's what we do as a family. However, I do think the distinction between a 17-year-old and a newborn or a child should be made.

Is that something you might be able to come to the committee with something in writing on, maybe some wording that could amend legislation?

Mr. Jean-Pierre Kingsley: I'll take it under consideration and get in touch with the chair.

Mr. John Nater: I appreciate that.

Mr. Jean-Pierre Kingsley: I appreciate the invitation to do that, to think more about this.

Mr. John Nater: Mr. Richards commented on a couple of the scenarios that have been raised in the past. The only other scenario was about the notice period, if notice was put out five days in advance but it had already been sold out; for example, if there was an event with the Prime Minister or with the minister at \$1,500, but by the time it was posted online the obligatory five days in advance, it was already sold out.

Do you see a way the legislation could address situations like that, in which something is posted and it's publicly available but people can't actually buy a ticket because it's sold out?

Mr. Jean-Pierre Kingsley: I don't think I can, no. This is where you're dealing with something in the law: this is the step, and at that step you do this, and under that step you don't do it. You cannot have flexible steps all the time. It makes it impossible to run anything. Five days is it. At least you get to know who's going to be there with the suggestion that I made earlier. If it were already known, at least it would be known at the same time that the people would have known that the Prime Minister, the Minister of Finance, the Leader of the Opposition, the finance critic, or the leader of the...whatever, would be in attendance. I'm not focusing on primarily one office-holder here.

Mr. John Nater: Okay.

The Chair: Thank you.

Ms. Sahota.

Ms. Ruby Sahota: Something we haven't discussed much is media presence. We haven't talked a lot about media being present there. We're talking about all these people showing up and underhanded things happening, but I think that's probably something that is creating even more—furthering, I guess—transparency: when we allow people with cameras and recorders to be at the event.

What do you think about that step being taken in the legislation?

Mr. Jean-Pierre Kingsley: I'm in favour of that. If the media wish to attend, I certainly think they should be able to attend and to record what is happening, or at least write down what is happening. I'm not sure that I agree that they should be able to take actual footage. If that's in the statute, that's in the statute, but I personally didn't see that in the bill.

Ms. Ruby Sahota: I think having five days' notice has now allowed media to be aware of these events that once used to take place—

Mr. Jean-Pierre Kingsley: That's very favourable; that's very good. They can decide if they want to be in attendance or not.

Ms. Ruby Sahota: At our last meeting, we talked a fair bit about there not being a required amount listed ahead of time, but there being a pass-the-hat type of thing and some kind of influence at the event to donate a recommended amount. What do you think about that? Should that be captured under this legislation, or should it just be the required amount?

Mr. Jean-Pierre Kingsley: Well, pass-the-hat events are already under the statute. They're allowed, and I don't see a need to amend that. It's very hard to visualize a political party organizing a major financial event and saying, "under \$200 and we'll have all of these outstanding figures from the party attending." I guess it could happen. I'm not sure that it needs to be caught under the legislation.

• (1300)

Ms. Ruby Sahota: You have already mentioned that you are not in favour of lowering the amount to \$100. The main point of our last guest here today, from Democracy Watch, was that we should be following the amendments made in Quebec and that we should lower it to \$100. He also made claims that even volunteerism and doctors receiving free samples... Everything causes a human being to be influenced and to act favourably toward one person rather than another because the person has done something for them.

I just want your general opinion about how we, as a good, democratic country and as people who want to be ahead of the curve on stamping out corruption and be seen as having a fair, transparent

system, reach that balance. We need volunteers, and we need people to contribute to political parties but at the same time we don't want there to be undue influence on decisions being made.

Mr. Jean-Pierre Kingsley: We found it: \$1,550. It's a reasonable amount. You could have said \$2,000 and I would have said yes, that's okay. I don't think that members of Parliament as a group can be influenced by a \$1,500 contribution.

Ms. Ruby Sahota: I don't think that either, but now we've been told that.

Mr. Jean-Pierre Kingsley: That's why I don't agree with the need to reduce it. If it were \$50,000, that would be something else, but \$1,500, to my mind, does not do it, because you need so many \$1,500 contributions.

The concern one would have about \$1,500 would be about a particular group of people agreeing among themselves, who have a particular interest to bring forward, and they bunch up. They are effectively buying the table, 10 seats, for \$15,000. When we see this, this is where it grates the spirit and it grates how Canadians feel about money in politics.

Ms. Ruby Sahota: My experience has been that you're also going to have a group of \$15,000 on the other side of it giving their opinion as well, so you end up having challenges with any policy, because you always have people with diverse opinions throughout your riding and even your donors will have diverse opinions on any given matter.

The Chair: Thank you, Ruby.

Thank you very much for being here today. You always have some very creative ideas for us, and we really appreciate that.

Mr. Jean-Pierre Kingsley: It was a pleasure. Thank you very much for the opportunity.

The Chair: Have a good week, committee.

The meeting is adjourned.

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