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Chair

The Honourable Larry Bagnell

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• (1105)

[*English*]

The Chair (Hon. Larry Bagnell (Yukon, Lib.)): Good morning, and welcome to the 70th meeting of the Standing Committee on Procedure and House Affairs.

Today we are beginning our study of Bill C-50, an act to amend the Canada Elections Act (political financing).

We're pleased to have with us today the Honourable Karina Gould, Minister of Democratic Institutions. She is accompanied by officials from the Privy Council Office, Robert Sampson, counsel and senior policy adviser, democratic institutions, and Allen Sutherland, assistant secretary to cabinet, and machinery of government.

Welcome. It's great to have you here, Minister, to help us with Bill C-50, giving us your views, and answering our questions.

I'll turn the floor over to you and thank you very much for coming.

[*Translation*]

Hon. Karina Gould (Minister of Democratic Institutions): Thank you very much, Mr. Chair.

Good morning, everyone. This is your 70th meeting today. Congratulations for that. It is important.

I will acknowledge, though, that I have mixed feelings about being here today.

[*English*]

I am honoured to be before you again to talk about legislation that makes our democracy more open and transparent, but I'm also saddened to recall that my previous appearances at this committee included the participation of my dear friend and colleague, the member of Parliament for Scarborough—Agincourt, Arnold Chan. He was both an outstanding parliamentarian and a really great guy. His passing has left an enormous gap in this committee and in the House of Commons and, I'm sure, in all of our hearts.

I just wanted to put that on the record.

[*Translation*]

Our focus today is on Bill C-50, An Act to amend the Canada Elections Act (political financing). This bill would amend the Canada Elections Act to create an unprecedented level of openness and transparency surrounding political fundraisers.

Bill C-50 required the hard work and dedication of many public servant officials, so before I start, I would like to acknowledge and thank them for their contribution.

Thank you for your commitment to this legislation.

[*English*]

The Government of Canada has promised to set a higher bar on the transparency, accountability, and integrity of our public institutions and the democratic process. Today I'm addressing one of our initiatives that will help reach this objective. This year we celebrate, in addition to the 150th anniversary of Confederation, the 35th anniversary of the Charter of Rights and Freedoms. Canadians cherish our charter. It is a model for new democracies around the world.

Section 3 of the charter guarantees every citizen the right to vote and to run in an election. The freedoms of association and expression enshrined in section 2 of the charter include the right of Canadian citizens and permanent residents to make a donation to a party and to participate in fundraising activities. Of course, these rights are subject to reasonable limitations.

Political parties represent a vital component of our democratic system. They unite people coming to the table from different regions, and with a variety of perspectives, backgrounds, and experiences. Parties mobilize ordinary citizens to champion ideas and work to get others to join them.

In my speech in the House of Commons, I quoted former Supreme Court Justice Frank Iacobucci. He said, "Political parties provide individual citizens with an opportunity to express an opinion on the policy and functioning of government."

[*Translation*]

Each time that Canadians vote in an election for a political party that shares their objectives or world view, it is one of the ways in which they play an active and engaged role in their society. We see this as an opportunity to make our country a better place for our children and grandchildren. Some Canadians even choose to work or volunteer for a political party.

But not everyone has the time or inclination to become active in politics as a volunteer. Perhaps they can do that, and something else as well. Still, they may want their voices heard. For many Canadians, making a financial contribution to a political campaign is a meaningful way to play a direct role in our democracy and an important form of democratic expression. Choosing to financially support a political party is something we must continue to uphold and protect.

[English]

Everyone in this room knows that donations given by people who believe in us, who believe in what we stand for, make our work possible, and we must continue to ensure that Canadians are free to contribute to political parties in an open and transparent manner.

It bears noting that Canada is known around the world for the rigour of its political financing regime. Companies, industry associations, unions, or any organization for that matter, cannot give funds to any politician or political party, and there's a strict limit on individual contributions. Canadian citizens and permanent residents can contribute a maximum of \$1,550 annually to each of the following: a registered party, a leadership contestant, and an independent candidate. In addition, they can donate a total of \$1,550 to a contestant for nomination, a candidate in an election, and/or a riding association. Contributions are reported to Elections Canada and the name, municipality, province, and postal code of those who contribute more than \$200 are published online.

[Translation]

Bill C-50 will build on this existing regime. Where a fundraising event requires any attendee to contribute or pay a ticket price totalling more than \$200, the name and partial address of each attendee, with certain exceptions, will be published online. The exceptions are: youth under 18, volunteers, event staff, media and support staff for the minister or party leader in attendance.

[English]

As I said during second reading debate in the House of Commons, Canadians take political fundraising seriously. There are serious consequences for disobeying the law, and that is why the Canada Elections Act provides tough sanctions for those who break the rules. The penalties include fines of up to \$50,000, up to five years in jail, or both.

Although Canadians can be proud of our already strict regulations for political financing, we recognize that they have the right to know even more than they do now when it comes to political fundraising events.

[Translation]

Bill C-50 aims to provide Canadians with more information about political fundraising events in order to continue to enhance trust and confidence in our democratic institutions.

If passed, Bill C-50 would allow Canadians to learn when a political fundraiser that has a ticket price or requires a contribution above \$200 is happening and who attended.

This legislation would apply to all fundraising activities attended by cabinet ministers, including the Prime Minister, party leaders, and leadership contestants when a contribution or ticket price of more than \$200 is required of any attendee. This provision also applies to appreciation events for donors to a political party or contestant.

• (1110)

[English]

These provisions apply to all parties with a seat in the House of Commons.

Bill C-50 would require parties to advertise fundraising events at least five days in advance. Canadians would know about a political fundraiser before the event takes place, giving them an opportunity to inquire about a ticket, if they wish.

Bill C-50 would also give journalists the ability to determine when and where fundraisers are happening. At the same time, political parties would retain the flexibility to set their own rules for providing media access and accreditation.

[Translation]

Parties would be required to report the names and partial addresses of attendees to Elections Canada within 30 days of the event. That information would then become public.

The bill would also introduce new offences in the Canada Elections Act for those who don't respect the rules, and require the return of any money collected at the event. These sanctions would apply to political parties, rather than the senior political leaders invited to the events.

We propose a maximum \$1,000 fine on summary conviction for offences introduced under Bill C-50. And if rules are broken, then contributions collected at events would have to be returned.

[English]

This new level of transparency will further enhance Canadians' trust in the political system, and that's good for everyone. If passed, Bill C-50 would fulfill our government's promise to make Canada's political financing system much more transparent to the public and the media. This is one of many actions we are taking to improve, strengthen, and protect our democratic institutions.

We are also taking action to increase voter participation and to enhance the integrity of elections through Bill C-33, an act to amend the Canada Elections Act, and we have partnered with the Communications Security Establishment to protect Canada's democracy from cyber-threats.

[Translation]

As I noted in my speech in the House of Commons, Samara Canada issued a report indicating 71% of Canadians said they are fairly satisfied or very satisfied with how democracy works in Canada. While this report suggests that Canadians have confidence in their democracy, we recognize there is always room for improvement. That's why we've decided to shine a light on political fundraising activities and build upon our already strong and robust system for political financing in Canada.

[English]

I am eager to hear the opinions of committee members. This is important legislation that affects all of us, and I hope you share my desire to ensure Canadians know more about fundraising events.

I look forward to your questions.

Thank you for the invitation to be here before you today.

The Chair: Thank you very much, Minister.

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

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Thank you, Minister, for attending today and for your presentation.

With respect to the advertising of the event on the political party's website, can you expand on when that has to happen, in what cases it has to happen, and the timing?

Hon. Karina Gould: As outlined in the legislation, if a cabinet minister, prime minister, party leader, or leadership contestant is present at an event where they are raising funds for a political party, for themselves, or for a riding association, the event must be prominently displayed and advertised five days in advance on a party's central website.

The ownership resides both within the party and the organizing entity to ensure that this information is publicly available. The location of the event, the time it is happening and the date, the price and the contribution required must be on that advertisement, as well as contact information for an organizer so members of the public or the media may be able to inquire about the event itself.

• (1115)

Ms. Filomena Tassi: Okay, that's great.

I know the amount that was chosen is \$200. I know it's hard to choose an amount. Can you expand on why that was the amount where this would apply?

Hon. Karina Gould: Yes. With regard to public disclosure, \$200 is already in the Canada Elections Act. Information about individuals who make contributions of \$200 or more is publicly disclosed on Elections Canada's website. It's an agreed upon disclosure amount that already exists, that's why this level was chosen.

Ms. Filomena Tassi: Thank you.

I know you spoke briefly about the penalties. There's the \$1,000 fine, and also if the rules aren't followed, the contributions may be returned. Can you talk a little about how that decision is made and if there's any recourse? If, for example, a mistake was made, a name was left out, that sort of situation, how would that be handled?

Hon. Karina Gould: The intent is not to penalize people who make mistakes or where accidents happen, but rather entities or individuals who are deliberately trying to hide information. As in all the penalties and processes within Elections Canada, a process is always followed, and a dialogue about this ensues between either the Chief Electoral Officer or the commissioner of Elections Canada and individuals, parties, or political entities.

Of course, the penalties would be on a graduated system. There's an opportunity for organizers to submit the information that was lacking if it was accidental.

However, if this is not the case and it was discovered to be intentional, then there's a sliding scale of penalties that range from the maximum being a \$1,000 fine and.... The legislation says that as soon as a political entity learns they have contravened the rules, they

must return the donations. I might ask my officials to jump in just for the technical details.

I'm going to turn to one of my officials to clarify that.

Mr. Robert Sampson (Counsel and Senior Policy Advisor, Democratic Institutions, Privy Council Office): Thank you, Minister.

As soon as the person who has breached one of the terms of the bill becomes aware, they have 30 days to return the amount of the contributions.

In terms of the graduated approach to penalties and enforcement, as with all offences and breaches under the Canada Elections Act, the commissioner of Canada Elections has a number of options and tools available, starting with a caution letter, then a compliance agreement. There's a \$1,000 fine upon prosecution and conviction, so that would be reserved for the most serious instances.

Ms. Filomena Tassi: That's very good to hear. We don't want people penalized for an inadvertent error. You're making it clear that it has to be intentional. There's been a lot of notice. That's great.

With respect to the list of the names of those who appear, I know that a group is excluded in the bill: volunteers, minors, journalists, and people providing services.

What about guests who appear as guests? Say an MP in the Hamilton area is having an event and I show up as a guest but I'm not paying, and the minister is going to be present. What's my obligation? Do I simply put my name on the list? I'm there and I'm not paying the fee, but it's important that if I don't pay a fee my name is still on the list. Is that the requirement?

Hon. Karina Gould: Yes, it's not your individual obligation, it would be the obligation of the organizing entity—

Ms. Filomena Tassi: Right, yes.

Hon. Karina Gould: —to ensure that everyone who is present, and not one of those exceptions, would be reported on.

The idea is that if you're hosting a fundraising event and an individual purchases a table, all of those guests must be reported on even if they did not specifically make a contribution to the party or political entity specifically.

Ms. Filomena Tassi: Right.

Hon. Karina Gould: It's to capture that so it's clear who is attending these events so that the public has access to this information. Of course, they can go through it and scrutinize it and pose questions or raise issues that they may see as a result of being able to see exactly who is present at these events.

Ms. Filomena Tassi: Okay, that's great. The focus is on presence and it's not on the payment, which is good.

How much time do I have, Chair?

• (1120)

The Chair: You have 45 seconds.

Ms. Filomena Tassi: Okay.

Could you speak a little about how the rules apply during a general election?

Hon. Karina Gould: Yes.

Recognizing that things are always a little more hectic during a general election, we have modified the advertising in advance and reporting regulations so that there is not the requirement to advertise in advance during a general election; however, all events with a contribution required of \$200 or more would be required to be reported on within 60 days of the end of the election.

The Chair: Now we'll go to Mr. Reid.

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

First of all, just let me make a comment about our colleague, Arnold, who would have had a lot of thoughtful insights were he to be present at today's meeting.

I know, Minister, you were at his service on the weekend. I saw you there. It was a very busy service. There were a lot of people there. I saw at least three of the colleagues who are here, and I know there were others whom I didn't see. It's just an indication of how well respected he was on all sides of the House.

I want to ask you, if I might test the chair's indulgence on this point a little bit, about a matter that is not the matter on which you are appearing before us. It's not about Bill C-50; rather it's about the legislation that may be forthcoming regarding the subject matter of the CEO's report on the 42nd election.

What we've been trying to determine here in this committee is whether your legislation is likely to be forthcoming soon or whether it's further away. That will determine our course of action. Do we reopen our discussions into that matter, or do we just say that there is no point in pursuing it, there is not time for us to report back to you, for the information to get to you, or for the legislative drafting to occur?

I know when you were asked by the media, you were reluctant to respond. You want to make those comments in Parliament first, but we're now in Parliament so I thought I could maybe prevail upon you.

The Chair: As the member knows, I'm very indulgent and I leave it up to the witnesses. They don't have to answer things that aren't on the subject, but they're welcome to.

Hon. Karina Gould: I'm happy to answer this as a first question.

First of all, I want to thank all the members of this committee, and particularly the different parties, for the report that you have already provided to me, as well as the reports that were provided over the summer, because those have all gone into the thinking as to what I'm considering in terms of moving forward.

I am hopeful to be able to do something soon, but to be able to speak much more broadly on that, I probably can't before I speak about it in the House. I would say that everything that has been provided is going into my considerations for next steps, and I do really appreciate the work that has been done, and the additional work that was done by each of the parties on this committee over the summer. That was an important deadline for next steps.

Mr. Scott Reid: I think I can parse the words. My own sense is that further pursuit by this committee of work in that direction might

get to you after your own internal deadline. I think that's what I heard. Although you didn't actually say that, I think that's what I read between the lines.

Thank you, Mr. Chair, for your indulgence on that matter.

Let me turn, then, to Bill C-50. I would just say that I find the bill unobjectionable, but also not really very substantive in that holding a fundraiser, which has been characterized as a cash-for-access fundraiser or a pay-to-play fundraiser, is not against the law. Once the legislation is passed, it still won't be against the law. There will be some reporting requirements, but nothing will have changed substantially.

The thing that people objected to has also not been addressed. The objection was that if you have sufficient money to buy tickets, you can have access to the direct presence of a minister of the crown, or indeed to the prime minister. I don't see that as having been resolved. The issue was never that the law was being violated. It was that a kind of ethical sniff test was not being met. I just don't see any evidence that this is actually being addressed.

Let me ask the obvious question. Why didn't you pass a law that said, as it did in Ontario, you can't have this kind of event, full stop?

Hon. Karina Gould: I appreciate your question.

The premise of this is that fundraising is a legitimate activity that all political parties do whether they're in government or in opposition, and it is a Canadian's right to be able to contribute to a political party. The premise of this is really based on ensuring that right as a form of democratic expression, but also ensuring that Canadians have access to information so that they can make those judgments themselves with regard to who is attending and what is going on at these events.

All of us have attended fundraising events in some capacity and generally know that these are events where you have people who support a political party, who support you perhaps as a candidate, and want to contribute to that campaign. I think this legislation is based on that premise.

You're right. The law indeed wasn't being broken, but it's also based on the fact that since 1974, successive governments have introduced legislation that would make fundraising more limited. I believe it was your previous government that limited the amount of individual contributions. That was a positive move.

The previous Liberal government to that banned union, corporation, and organization donations. That was an important move. They also introduced bringing in nomination and leadership contestants into the fundraising fold because prior to that there were a number of leadership contestants who didn't disclose who their main fundraisers were, and that was a significant issue.

This is a continuation of those practices in order to ensure that fundraising be recognized as an important and necessary tool for political dialogue and political parties in this country, and also to ensure that we're continuing to expand the transparency and openness and the information that Canadians have so that they know who their political leaders are engaging with.

• (1125)

Mr. Scott Reid: I have less than a minute. Thank you, Mr. Chair, for warning me of that.

It seems to me the fundamental issue has not been dealt with. Did you consider doing what Ontario has done? They haven't banned donations. In fact, donations are still larger in dollar terms in Ontario than they are federally. They just said you can't have these events where a person pays and therefore gets access to the prime minister, or in that case, the premier.

Did you consider that? If so, why did you not go that route?

Hon. Karina Gould: Different provinces are doing different things based on their own political experiences. I respect what each province has decided to do and, of course, we looked at all the different options when considering this legislation. Personally, I think it is important to ensure that we are shining the light on these activities and not driving things underground either. It is important that we maintain the robust system we have and that we are doing what we can to provide even greater access to information on these events.

That's the direction we have chosen to go.

Mr. Scott Reid: Thank you.

The Chair: Now we'll go to Mr. Christopherson.

Mr. David Christopherson (Hamilton Centre, NDP): Very good. Thank you, Chair.

Thank you, Minister, for attending. It's good to see you again.

Before I get into Bill C-50, I just want to ask your opinion on something. I realize you are not planning to bring this in, but it's relative to this, and it has to do with public financing of elections. Fantastic, healthy democracy comes from it. The politics are horrible.

Pleasantly surprise me. Tell me you are planning—I'm assuming you're not planning—to bring in this change. However, I'd like to know whether you are thinking about that and whether you believe, as our minister, that it's healthy for democracy or not. Given that your government brought it in and then the Conservatives took it out, I'd like to hear your thinking on that, please.

Hon. Karina Gould: There is certainly a role for public financing within elections and within democracy, and we actually still have that in many respects with regard to the reimbursements that political parties, candidates, and riding associations receive after an election. Political parties are reimbursed 50% of their expenditures post-election, and candidates are reimbursed 60%; so there is still significant public financing in elections, and that is important. I think we have struck a balance with regard to individuals being able to express themselves and support the parties of their choice, but also to ensure that we still have a strong public mandate when it comes to the political system.

• (1130)

Mr. David Christopherson: I would love to debate that with you sometime, but I do appreciate your giving me your unvarnished opinion. Thank you.

Moving now specifically to Bill C-50, Chair, my colleague Mr. Reid just said that Bill C-50 was not very substantive in his opinion. He's being very kind. This has so little impact at the end of the day that this could be a *Seinfeld* episode.

Let me pick one: five days, for instance; now democracy will be saved because five days ahead of a fundraising event, you can now find that event on a website prominently. We'll come back to "prominently" in a moment. Five days; in over three decades of public life, I have never heard of a significant fundraiser being pulled together in five days. Clearly, the organizers would have known that this event was coming for a long time, well before five days. What's with the five days? Who are you trying to kid?

Hon. Karina Gould: Thank you for your question.

With regard to the five days, this is a conversation I've had with all the critics, members of this committee, as well as the political parties. Part of it is to ensure that we don't provide undue burden on what are often voluntary organizations when they're organizing events. This is feedback that I received from the consultations that I did with political parties prior to developing this legislation.

Also, there's a reasonableness in terms of ensuring that it's sufficient time for the public or journalists to be able to determine that these events are taking place, and to ensure that they have enough time to decide whether they're going to pose questions or to ask if they can cover the event. Essentially, it's a balance between ensuring that the information is out there with enough advance notice while also recognizing that we don't want to place an undue burden on what are often voluntary organizations that are bringing these things together.

Mr. David Christopherson: I would submit, with respect, that it's meant to minimize it being out there, thereby negating the benefit that's supposed to be there.

You said, "sufficient time". Really, with only five days, you pretty much have to have somebody whose job description it is within each of our parties to monitor the website every day so that you don't miss any of those five whole days that are going to be there if you want to see it ahead of time. To me, it's a joke. That, in large part, is a symbol of how you're spinning this piece of legislation like it makes a big difference, but in reality, it doesn't.

I know I'm going to run out of time—I always do—but we have lots of time because we have days and days scheduled. While I'm still on the five days, you said that it has to be prominently displayed on the website. Define "prominently", please.

Hon. Karina Gould: I think this legislation actually does make a significant difference, because for the first time in Canadian history, we're actually requiring parties and political entities to disclose this information, to advertise, to let the Canadian public know, and then of course to disclose who is actually attending this. This has never happened before.

With regard to prominent display, that means it should be easy to find; it should be accessible. The reason we chose to put this on central party websites as opposed to that of every riding association or leadership candidate, is so that if there is someone who is very interested in this file, they have one place per party where they can go to find out all of this information, because we do want this to be easily accessible to Canadians and to the media.

Mr. David Christopherson: Fair enough.

Let me push further along the vein that this doesn't make any difference. You make a big deal about their having to post who attended the fundraiser if it was over \$200. Don't they have to post it anyway? All this does is it gets it out there a little quicker, maybe. That information is already on Elections Canada's website. Is that correct?

Hon. Karina Gould: Some of it would be. If you individually have made that donation, then yes, it would be, but it wouldn't be necessarily known that you attended a fundraiser. Currently, for anyone who makes a contribution over \$200, their information is publicly displayed, but it's not connected to a fundraising event.

What this legislation does is it states that if you specifically are attending one of these events, it will be reported on within that event. What it also changes is that even if you as an individual did not make a contribution to the party, political entity, or actor designate, if you attended, your information would also be made public.

• (1135)

Mr. David Christopherson: I'm sure that's going to scare all those wealthy people away. Well done.

Anyway, that's to be continued at another time. I believe my time has expired. I look forward to continuing engagement on this thing.

Hon. Karina Gould: As do I.

The Chair: Thank you, Mr. Christopherson, and now we'll go to Mr. Bittle.

Mr. Chris Bittle (St. Catharines, Lib.): Thank you, Mr. Chair.

Thank you, Minister, for coming before us today.

Mr. Reid brought up a point in terms of different models, and he suggested the Ontario model. I noticed the previous 10 years, being involved in politics in St. Catharines back in my riding.... There's a previous member of Parliament, and many ministers, and Prime Minister Harper came through on a number of occasions. There weren't fundraisers that were open to the public or that you could buy tickets for, but there was a suspicious certain segment of donors and supporters by invitation only to those events.

I'm wondering if you can explain how this legislation increases transparency in the political process in terms of donations to those types of events?

Hon. Karina Gould: This legislation looks to capture any event for which an invitation or ability to participate or attend requires a cost of over \$200. That would include appreciation events for donors. If you're an individual who has donated \$200 or more to a riding association or a political party and, in return, are invited to an event where only individuals who have made that contribution are invited to attend, and one of the designated political actors is present, those would be captured as well.

We had long thoughts and conversations about those to ensure that we're creating a system that is holistic and captures where there is a ticket purchase required or a cost associated in order to be able to attend.

Mr. Chris Bittle: The legislation captures individuals such as leadership candidates who may not hold a seat in Parliament. Why is it important to capture those individuals within the framework of this legislation?

Hon. Karina Gould: While not every leadership contestant may become prime minister or leader of the official opposition or leader of an opposition party, every opposition party leader, leader of the official opposition or prime minister has at one point been a leadership contestant. It's important to ensure that Canadians have access to that information as well, because those are individuals who are seeking to become decision-makers and to hold public office.

Mr. Chris Bittle: Just to clarify something, so this legislation covers.... It's not necessarily donations of \$200 as a ticketed price of \$200. Can you explain that and the rationale for it?

Hon. Karina Gould: Again, we thought long and hard about this, and the way it works in Elections Canada currently is that you only have to report on the contribution amount, not the actual cost of the event itself. There were concerns that there could be a \$500 ticket price, but the contribution value would be considered \$199 and therefore would not be captured. To make it clean and simple, it was a \$200 cost associated with attending so that there couldn't be games played around what was a contribution and what was part of the cost of hosting the event itself.

Of course, we do see some events that are listed \$199, but we're hopeful it's something people will not try to get around.

Mr. Chris Bittle: You've said before, and you said during your introduction, that Canada has one of the most robust systems in the world when it comes to political financing. Can you expand on that for us?

Hon. Karina Gould: Sure. As I've reiterated many times with regard to political financing in Canada, we have strict limits around individual donations: \$1,550 per person per year within the different buckets available to them. There are no corporate, union or organization donations permitted, and of course, if you donate over \$200, then it is publicly required that you disclose that.

I think when you look around the world, it is a very strong standard when it comes to political financing and how we engage in our democracy. I've said many times, and I firmly believe this, that contributing to a political party, entity, or actor is an important form of democratic expression, but as I outlined, within reason and within a limit. I think we've struck that balance here in Canada.

• (1140)

Mr. Chris Bittle: When drafting the legislation, did you look at other models in other countries?

Hon. Karina Gould: We certainly looked around the world at different examples, but we also looked internally here in Canada at what different provinces are doing. With some rare exceptions, the federal level is definitely one of the strictest with regard to political contributions, even within Canada.

Mr. Chris Bittle: You've said it, and we've all agreed. We've all attended and hosted fundraising events, and called individuals for fundraising. It can be a difficult thing, but it's necessary for our democracy. Have we struck the right balance here for Canadians to participate in democracy and for their right to know who's attending these fundraising events?

Hon. Karina Gould: I think so. It is Canadians' right to be able to contribute to a political party, so they can still do that as individuals, but within a reasonable limit. I think the \$1,550 that's roughly tied to inflation every year is reasonable. I think that, as has been established at the federal level for many years—I don't know if you know the exact year when the \$200 threshold came in. Do you know the year?

A voice: I don't know the year.

Hon. Karina Gould: Okay. I think that's generally accepted as a reasonable threshold. I think that's an important threshold, too, because there were suggestions or debates about lowering the threshold. However, important points were raised about the fact that, as Canadians, it is also your right to privately support a party, just as you can go into the voting booth and vote for who you want in secret without anyone being able to know. You can say whatever you want outside of that voting booth. That's not publicly disclosed, just as under the \$200 limit you should be able to support a party. All that is reported to Elections Canada, but it's not publicly disclosed because it's your right to be able to support that.

Mr. Chris Bittle: Thank you, Minister.

The Chair: We'll now go on to a five-minute round, and we'll start with Mr. Richards.

Mr. Blake Richards (Banff—Airdrie, CPC): Thanks, Mr. Chair.

Thank you, Minister, for taking some time to be here with us today.

For those who are listening today, and I have no doubt, based just purely on your star power as the Minister of Democratic Institutions

Hon. Karina Gould: My star power?

Mr. Blake Richards: Sure.

Anyway, for those who are listening today, I'd like to quickly summarize the actual reason you're here today and how Bill C-50 came to be, and I want to be clear about it. It's because the Liberal Party was selling access to the Prime Minister at events where tickets were costing up to \$1,525. That's the reason. These were cash-for-access events, where the Prime Minister has openly admitted that he had people trying to lobby him, which was a clear violation of Liberal Party rules and a clear violation of the Prime Minister's own ethics code. These cash-for-access events resulted in the Ethics Commissioner and the Commissioner of Lobbying launching investigations. The only reason Bill C-50 is before us today is that the Liberal Party got caught breaking those rules. In fact, the Prime Minister got caught breaking the very rules that he himself created.

Just for a little clarity, I'd like to read from the Prime Minister's own "Open and Accountable Government", a principle document. I'll just read the first paragraph of annex B. It's a brief one:

Ministers and Parliamentary Secretaries must avoid conflict of interest, the appearance of conflict of interest and situations that have the potential to involve conflicts of interest.

Further down it says:

There should be no preferential access to government, or appearance of preferential access, accorded to individuals or organizations because they have made financial contributions to politicians and political parties.

I wonder, Minister, if you could explain why the Prime Minister just doesn't simply abide by the rules, the ones that he himself, in fact, set in place. If he would just abide by those rules, then we wouldn't have to be having this conversation.

Hon. Karina Gould: Thank you for your comments.

I think, particularly over the past week, we've noticed how important this legislation is, given the fact that the leader of the official opposition has also been engaged in events that have not been publicly disclosed, and initially refused to admit that he was taking part in those events. I think that this legislation clearly outlines why it's important for political leaders to be more open and transparent, particularly about raising money and who they're interacting with. I think that it's a recognition that we can do better. Whether we're in government or the opposition, we should all be doing better to ensure that we're providing that openness and transparency for Canadians to see what's going on.

I do want to comment that lobbyists are covered under the Lobbying Act, and they do have additional responsibilities with regard to how they govern themselves and how they act. That's something separate. Within this legislation, we have made clear—because governments and the Canada Elections Act tend not to regulate the internal activities of parties—that parties still have the authority to determine who can attend fundraisers and who cannot.

• (1145)

Mr. Blake Richards: Okay. Thank you. To me, that didn't really explain why the Prime Minister didn't simply choose to follow the rules rather than making a legislative change.

At any rate, I'd like to ask you about the June 19 fundraising event the Liberal Party held that featured the Prime Minister speaking. It was after promising to abide by the rules of Bill C-50 and be open to the media. Can you explain why, even after that, the Liberal Party staff restricted media access? I know of at least a couple of instances where it happened. The Ottawa bureau chief of the Huffington Post, Althia Raj, and Joan Bryden from the Canadian Press were being denied access, or restricted access. Can you explain why, once the media was allowed inside, they were cordoned off in one particular area and not allowed to mingle with the guests? Can you explain why a Montreal reporter with the Canadian Press was told to leave?

Minister, I don't understand why you're bothering to put rules in place when it's quite clear that the Liberal Party is simply going to break them.

Hon. Karina Gould: Well, first of all, I'm the Minister of Democratic Institutions, here on behalf of the Government of Canada. While I'm a Liberal member of Parliament, I'm not here on behalf of the Liberal Party of Canada. Those questions would be better posed to the Liberal Party itself.

However, with regard to the media, it's important to note that we didn't choose to legislate media's access because I believe fundamentally that the democratic institutions of the government should not be legislating the media, but their having the information will provide them more access to be able to pose those questions, to scrutinize, and to hold public office holders to account.

Mr. Blake Richards: I guess the question remains, why put rules in place if the Liberal Party is planning on breaking them anyway?

The Chair: Sorry, Mr. Richards—

Hon. Karina Gould: The law is not yet in place. That's why we're here.

Mr. Blake Richards: Yes, but Liberals, they just can't follow them. They'll find all kinds of creative ways around them, as they already have, I'm sure.

The Chair: Thank you, Mr. Richards. Your time is up.

We'll go now to a five-minute round with Mr. Graham.

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Thank you.

I think all of us remember that when Stephen Harper became leader, we never learned who most of his contributors were to that leadership. The caps were effectively non-existent at that time. He wasn't the prime minister yet, but he sure as heck wanted to be—and he did become the prime minister. Andrew Scheer has the same attitude, I believe, that he would like to be prime minister one day. I believe that's why he's doing this.

Mr. Scott Reid: Are you jumping to conclusions there, or...?

Voices: Oh, oh!

Mr. David de Burgh Graham: I have no intention of helping him get there, but his intention, when he sells those fundraising tickets, is to be the future prime minister. That's his objective. So I think it is important that the leaders, the contenders from any party, participate in this.

I don't know if you have any further comments on that, given Mr. Richards' intervention a minute ago.

Hon. Karina Gould: I think it's important that leadership contestants and leaders of parties are included in this, because we don't know what will happen in the next election. I think all of us on all sides of the table have hopes for what will happen, and will work hard to achieve that outcome, but at the same time, we don't know. For example, whereas someone might argue that as the leader of the third party you should not be subject to these rules, in our case, we were in fact the third party and then formed a majority government. So I think it is important that we do know who is attending these events and contributing to parties.

Furthermore, with regard to leadership contestants, I think it's very important. I think the issue you raised about former Prime Minister Harper, when he was the leader, is very important. We know that he raised over \$1 million but only publicly disclosed \$144,000 of contributions. That raises a question. That's why the rules were changed in 2003-04.

As I said, this is a continuation of the work done by different governments of different political stripes to ensure that we are having more openness, more transparency, and more reasonableness in our political financing system.

• (1150)

Mr. David de Burgh Graham: Unfortunately, these rules are not retroactive, I guess.

Hon. Karina Gould: No. They're only on a forward basis.

Mr. David de Burgh Graham: You talked about third parties. What about parties that don't have a seat in the House, for example, the Rhinoceros Party and the Marijuana Party? Are they affected by these rules?

Hon. Karina Gould: No. Small parties without a seat in the House are not affected by these rules. That's really with regard to ensuring that we're not placing an undue burden on organizations that are largely run by volunteers and perhaps are quite small.

Mr. David de Burgh Graham: Okay.

I want to go back to Mr. Reid's very first question and go a little bit off topic, with the chair's indulgence. Just to put this in perspective for you, we put a lot of work into the CEO report, as you know. There was one issue that we never managed to deal with, and that was recommendation A39 on the broadcasting regime.

I don't know what to do with it. It's a really big thing. It's a very difficult question. I was looking at your mandate letter, and I found that you had another comment with regard to broadcasting related to the "independent commissioner to organize political party leaders' debates". I'm wondering if there's some way we can help you, or if you can tie these together, or if we should be looking at these together. Do you have any thoughts on that?

Hon. Karina Gould: That would actually be very useful if this committee would be interested in engaging on that section of the CEO report with regard to the broadcasting regime and also with an eye to the other element of my mandate with regard to the debates commission. I think this is an important step we do need to take, but I think it would be really useful to hear PROC's input as we move forward in that area as well.

Mr. David de Burgh Graham: I still have time. I'll share it with Mr. Simms.

Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.): I just have a quick point of clarification. According to the penalties we're talking about—and we're introducing new penalties with this, obviously—we're talking about reimbursing the cost if it's not properly advertised. Is that the full \$200? It takes a certain amount of that money to do the event, but what is...? Yes, basically that's it. The \$200, the full price, has to come back. So basically the expense of putting off this event falls back onto the association.

Mr. Robert Sampson: Thank you for the question. If you look at the way the legislation is drafted, it captures both events, where it's a contribution of \$200 and an amount paid of \$200. What this means is that in the event that it's an amount paid, that's not an amount paid minus the cost of running. It means that as soon as a ticket price hits more than \$200, the event is captured. One of the reasons for this was that it can take some time to calculate the exact value of the benefit that's conferred upon an attendee at a fundraiser. So, because there is a 30-day limit for reporting....

Mr. Scott Simms: Yes, I was asking about the payback, though, the penalty. When you have to pay back the \$200 to the individual, is it minus the cost of the event and you reimburse that, or is it the full \$200?

Mr. Robert Sampson: You pay it all back.

Mr. Allen Sutherland (Assistant Secretary to the Cabinet, Machinery of Government, Privy Council Office): It's whatever the amount is. So, if it's a \$400 event, it's \$400.

The Chair: Thank you.

Now we'll go on to Mr. Nater for five minutes.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Mr. Chair.

Thank you, Minister, for joining us today.

I am new to this committee, so I hope the committee will indulge me. I'm new to the procedure side of things.

Hon. Karina Gould: There have been lots of indulgences today.

Mr. John Nater: I appreciate that.

I did enjoy the walk down memory lane of past leadership conventions. I wonder whether there was any consideration given to renaming proposed subsection 384.3(3), which excludes minors from being publicized, in honour of Joe Volpe, from his Liberal leadership run. I wonder if there was any consideration given to that.

Hon. Karina Gould: Thank you, and welcome to the committee.

Voices: Oh, oh!

Mr. John Nater: I'm learning from Mr. Christopherson.

Hon. Karina Gould: You will note in the legislation that conventions are actually excluded from this, because we recognize that with regard to people who have maybe made contributions...and leaders or cabinet ministers are also party members, so they are therefore going to be there. However, if there were a fundraising event that was organized while a convention was taking place, that would be captured.

Mr. John Nater: For example, next year in Halifax the Liberals will be having their convention. Those who donated \$1,500 to the Laurier Club would still have access to the Prime Minister in a private reception in Halifax.

•(1155)

Hon. Karina Gould: This would also be the case for the Conservatives or the New Democrats, because the ability to actually regulate the flow at conventions, we understand, would be a considerable burden. However, as with any of the other parties that are represented in the House, if the Conservative Party were organizing their convention, and they had a fundraiser with their party leader that was separate from the actual convention itself, and where there was an additional requirement to pay, that would be captured.

Mr. John Nater: So you can still advertise the Laurier Club, have the donations in advance, and have the event—

Hon. Karina Gould: Well, it would be separate. Again, understand that as a convention, people are going to be milling around. That would be a very big burden for any party, including the Conservatives or the New Democrats.

Mr. John Nater: I'm just stating that there is that exception. You could advertise the \$1,500 donation for a private reception.

Hon. Karina Gould: Yes, that was done based on consultations with all of the political parties ahead of time, really trying to balance that need for transparency and accountability, but also recognizing what's doable and reasonable when you have really large crowds.

Mr. John Nater: I want to get back to the five-day notice, which a number of members have commented on. I know many members host annual events, which are long-standing events. Often RSVPs come in late. If a minister were to RSVP to attend a member's fundraising event within two or three days of the event, what would happen? Would they be permitted to attend the event, or would they be forbidden—

Hon. Karina Gould: That would be captured under the legislation as it currently stands.

The five days is a minimum requirement. I invite all parties to advertise well in advance. I think we all know, as individuals who have to raise money, that often you advertise significantly more in advance, because you want more people to attend.

The legislation is designed, however, so that if one of these designated political actors were even to just show up at the event, even if they didn't know they were coming, that event would be captured. Of course, they would still have to meet the reporting requirements, but they should have received the advertising and might receive those...and would be subject to the penalties for not having done the advertisement in advance.

Mr. John Nater: Can you repeat that last fact? Was it that they wouldn't be penalized for not...?

Hon. Karina Gould: Yes.

Mr. Robert Sampson: Perhaps it would be useful to know that there's a provision that requires corrections and updates to the advertising as information changes. If there is new information that a minister is attending which wasn't available prior, the advertising would be updated.

That should address a situation in which there's a last-minute decision for a minister to appear.

Mr. John Nater: You could, then, have a fundraising event for \$1,500 advertised well in advance, and then lo and behold, a day before, the prime minister gives notice to show up, or advertises one day before.

Mr. Robert Sampson: Yes.

Hon. Karina Gould: But it would be subject to the reporting requirements afterwards.

Mr. John Nater: It would also be a burden for the media to try to cover that event, with five minutes' notice.

Hon. Karina Gould: I would hope that individuals and parties might respect the spirit of the legislation.

The Chair: Thank you. Now we'll go to Ms. Sahota, for five minutes.

Ms. Ruby Sahota (Brampton North, Lib.): Thank you, Minister, for appearing here today. I've learned a lot more about the legislation. I think it is a great step in the right direction.

I'm a little surprised to hear that this isn't going to make any difference at all now that media are in the event. Media constitute a channel through which so many people learn so much about what is actually happening. Most of these events were held in complete secrecy and still continue to be held in secrecy by some parties.

I think the Liberal Party has raised the bar now. The Prime Minister also has raised the bar and the standard of being more transparent. Once this legislation is in place, I think we'll be able to hold all parties accountable after the fact concerning who is attending these events.

Right now, Mr. Scheer is still refusing to reveal who's attending and is stating that it's only relevant to know in the case of prime minister's events, but it's not relevant to know who donates to him, as he is not a public office holder, but of course, he is in fact a public office holder.

Why did you find that it was important to make sure that all the various parties and candidates who, as you've said before, don't have a seat in the House reveal who's attending their fundraisers?

Also, can you in general talk a bit more about the Canadian system? I know that you think we have a very robust fundraising system and that even in the past, Elections Canada laws were technically still being followed. Why is this extra step necessary at this time?

•(1200)

Hon. Karina Gould: Many of those points have been raised, but I'm happy to reiterate responses to them, particularly when it comes to party leaders.

It's because quite frankly we don't know what's going to happen in the next election or who may hold the balance of power, who may be in government. These are individuals who are seeking to be decision-makers for the country; therefore, it's important that they be part of this regime.

One thing I want to mention that hasn't come up yet is that we're also making technical amendments with regard to nomination and leadership contestant campaigns to ensure that they're more in line with actual candidate and party expenses during an election. Currently, neither leadership contestants nor nomination contestants, if they have spent money on their campaigns in those contests, have to report it beforehand, if the nomination or the leadership contest hasn't begun yet.

It's important to bring those rules in line, so that we continue to have a fair and level playing field in politics at all levels and at all points in time. This is something that PROC has also recommended, in your CEO report.

Ms. Ruby Sahota: That's an excellent step. I think this is another great big part. Are there other examples you can leave the committee with of safeguards that have been put in place with regard to campaign fundraising, financing, other than the ones we talked about today?

Hon. Karina Gould: Sure, the key message I would leave with the committee is that we do have good, strict rules when it comes to fundraising in Canada, but this is an additional step that is in line with a long history of continuously improving our political financing laws and regime in Canada. This is going to have a substantial impact on how we move forward on political fundraising, particularly with people who are able to make decisions. Of course, this is going to change the way that Canadians see and understand fundraising activities as well, because they are going to have information on it. Bringing it into the light, into the open, is an important step, and I hope that all of us, regardless of which party we are in, are able to support this legislation but also to abide by it.

I should note, however, as with most legislation, this comes into force six months after it receives royal assent, to provide parties and individuals the time they need. So, while current leadership contests or current leaders are not captured, I encourage them to participate in the spirit of this legislation.

Ms. Ruby Sahota: Thank you.

The Chair: Thank you, Minister, for attending today.

I'd also like to commend all the committee members. Obviously there is a difference of opinion, but that's democracy, and you have expressed your opinions very civilly and respectfully, and I appreciate that.

The meeting is adjourned.

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