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**Official Report
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Tuesday 7 June 2016

**Journal
des débats
(Hansard)**

Mardi 7 juin 2016

**Standing Committee on
General Government**

Election Finances Statute Law
Amendment Act, 2016

**Comité permanent des
affaires gouvernementales**

Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Tuesday 7 June 2016

Mardi 7 juin 2016

The committee met at 1404 in committee room 2.

**ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016
LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL**

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

The Chair (Mr. Grant Crack): Good afternoon, everyone—members of the Standing Committee on General Government, the Clerks' office, Hansard and legislative research. A special welcome to Mr. Essensa, the Chief Electoral Officer. I'd like to call the Standing Committee on General Government to order.

This afternoon we're here, under order of the House, with the privilege of having with us the leader of Green Party of Ontario, Mr. Mike Schreiner. We're here to deal with Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007. This is part of the public hearings process.

I would just like to explain to members of the committee, to refresh their memories, that this afternoon we sent a special invite to Mr. Schreiner to come and make up to a one-hour presentation to the committee, followed by up to another hour for questioning and a discussion, similar to what took place yesterday. So there's a total of two hours, from 2 p.m. to 4 p.m.

GREEN PARTY OF ONTARIO

The Chair (Mr. Grant Crack): At this time, I would like to welcome Mr. Schreiner up to the table.

Is my microphone not working?

Mr. Mike Schreiner: We have a red light.

The Chair (Mr. Grant Crack): You have a red light, I don't. Now I have a red light. Good. Very well.

Again, Mr. Schreiner, we welcome you on behalf of the committee and I welcome you. You have up to an hour for your presentation. Enjoy.

Mr. Mike Schreiner: Chairman Crack and members of the committee, I appreciate the opportunity to present here today on Bill 201. I can let you all rest assured

before I start that I don't think my presentation will take an hour. The rest of it is in your hands, if this is going to take two hours.

I think it's time to get big money out of Ontario politics. Cash for access, private dinners, fundraising quotas for ministers and a pay-to-play public funding model that benefits the wealthy and those who seek their money have no place in our democracy. Even the appearance of buying access to power undermines trust in government policy and in our democratic institutions.

In my meetings with the Premier and with the opposition leaders, I think it was clear that all parties agreed that the status quo is unacceptable. Whether you are new to the fundraising reform bandwagon or, like us, have been on it for quite some time, by working together, we now have a historic opportunity to make our elections more democratic and fair.

Comprehensive fundraising reform is, in my opinion, essential to renewing our democracy and restoring trust in the integrity of government decision-making.

I believe Bill 201 takes a major step in that direction, but it does not go far enough. If the government is serious about getting big money out of politics, then Bill 201 must lower donation limits and loopholes, reduce party spending limits, and tighten disclosure and oversight rules.

Before I go into the specific ways in which I think Bill 201 can be improved, I want to reinforce my support for some of the positive changes in the legislation. Although I have not always been supportive of the process that has led to this day—and in this regard, I just wanted to acknowledge the NDP's efforts to establish a non-partisan process and the Conservative Party's support of that effort as well—I am pleased that the government listened to many of the ideas that I shared with the Premier when we met on April 12.

I also want to acknowledge the government House leader for including the GPO in consultations in drafting Bill 201. We'll need a legislative historian to verify this, but it might be the first time that a party without a sitting MPP has been asked to provide substantive input in the drafting of legislation. So I want to acknowledge that and I appreciate the effort to consult across party lines on an issue that is so essential to the fairness and integrity of our democratic elections.

I also want to let you know that I took it upon myself to consult with the leaders of all registered political parties in Ontario for their feedback on Bill 201, and their

input has informed some of the content of my presentation today. I believe that working together across party lines is the only way that we're going to transform political fundraising rules with legitimacy and in a way that is fair, transparent and democratic.

What does the GPO like about Bill 201, with some suggested revisions to certain segments of the bill? First of all, the GPO strongly supports the elimination of corporate and union donations to political parties. People vote, not corporations or unions. As such, people should fund political parties, not corporations and unions.

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However, I think the legislation should be explicitly clear that the donation of paid volunteers from a corporation or union should not be allowed. The use of paid volunteers is an obvious way for a corporation or union to get around the ban on corporate and union donations.

Imagine if company X is paying their employees to work for somebody's campaign. I don't think that's acceptable, and I don't think the public would find that acceptable. It's not clear in my current reading of the legislation that that would not be allowed. This rule should be written in a way that does not deny people from volunteering for a campaign or party, nor should it preclude organizations from encouraging people to volunteer, but the use of paid volunteers should be strictly prohibited. The GPO also supports the elimination of corporate and union loan guarantees outlined in the bill.

The second part of the bill we strongly support is the introduction of per-vote funding for political parties. Even though we believe this should be a permanent change, we can live with a review after five years. If we want government decisions to be made in the public interest, then the public should fund political parties. Per-vote funding of political parties is more democratic than our existing public funding system, and I believe that it's also essential to getting the corrosive influence of big money out of politics.

Currently, the public funding of political parties is a pay-to-play system. It's a model that undemocratically benefits big donors through generous tax credits and the parties that seek their money. For example, for a \$2,500 donation to a political party, a person would receive a refundable tax credit of approximately \$1,150, so tax dollars cover almost half of the donation. By contrast, a per-vote allowance is a vote-to-play system. It upholds the simple democratic principle of one person, one vote. It doesn't exclude citizens who don't have deep pockets. It empowers every citizen with an opportunity to financially support the party of their choice with their vote.

The current system is also more expensive. The pay-to-play system currently provides about \$13.4 million of public funding to political parties through the contribution tax credit for their donors. The estimated cost of the per-vote allowance is around \$10.9 million.

I do want to be clear that I'm not suggesting the elimination of contribution tax credits, because I believe

we want to encourage people to make political donations, but I would personally prioritize the per-vote allowance over contribution tax credits because it is more democratic. And I support—which I will talk about later—a dramatic decrease in donation limits, which would presumably reduce the cost of the contribution tax credits.

Finally, in keeping with the one-person, one-vote, one-donation principle, the GPO does not support the party eligibility threshold of 2% province-wide, or 5% of the vote in the ridings where a party ran candidates. Citizens should have the ability to direct their donations to any legally registered party that is in good standing with Elections Ontario. I know some will argue that public money should not go to small, so-called fringe parties, but I think it's more democratic to empower citizens, not politicians, to make that determination.

I want to be clear in this advocacy that it's not in self-interest. The GPO would qualify for the per-vote allowance given the current threshold proposed in the legislation. Rather, I support this because of the democratic principle of one person, one vote, one donation. The cost to the public treasury would be small, but I believe the message to the public would be big. The per-vote allowance is based on democratic principles, not established parties' self-interest.

The third area: The GPO supports restrictions on third-party advertising, including spending limits, reporting requirements and anti-collusion provisions. Partisan third-party ads can be used as a way for corporations, unions and other organizations to get around party spending limits and the ban on corporate and union donations.

Some have raised questions about whether this places a restriction on free speech, but the Supreme Court, in *Harper v. Canada*, upheld the constitutionality of third-party advertising limits, and I think they should remain in the bill.

The areas the GPO would like to see substantial changes to Bill 201—oh, sorry. Actually, I'm going to go to the fourth thing we support, then I'm going to move on.

The GPO supports donation limits for nomination contestants and leadership races, which closes a major loophole that has enabled wealthy donors to exceed donation limits by contributing big money—in one previous case, \$100,000—to candidates who, in the case of leadership candidates, actually might serve as Premier. We also support spending limits for nomination contests and leadership contests.

Fifth, the GPO strongly supports closing the loopholes that enable wealthy donors to exceed contribution limits by making additional party donations during election and by-election campaigns. Although Bill 201 will not be in place before the next by-election, I would challenge all parties to adhere to the spirit of this bill by voluntarily not accepting party donations that enable donors to exceed annual limits during the upcoming by-election in Scarborough—Rouge River.

Okay, now I'm going to talk about a few areas that we'd like see significantly changed. The first is that I

believe that we need to lower contribution limits and eliminate loopholes. Bill 201 does not succeed in getting big money out of politics as it is currently written.

Under the proposed new rules, rich donors can still contribute up to \$7,750 to a political party through donations to the central party, local associations and candidates. I don't think this is the real reform that people want. How many Ontarians have \$7,750 to donate to a political party? High limits mean high-end donors can still buy access. Parties can use loopholes to hold cash-for-access events that give wealthy donors privileged access to power. Even if no influence is peddled, just the perception of it erodes public trust in the integrity of government.

Bill 201 should close all contribution loopholes, not just those for by-elections, leadership and nomination contests. At a minimum, I believe that the annual contribution limit should be capped at \$1,500, total, to a party, including its associations and candidates.

I would like to challenge the committee to consider being even more bold and actually lower the annual contribution limit to under \$1,000. In Quebec, the contribution limit is \$100, to put that into contrast. I've had a number of people—even strong advocates of fundraising reform—tell me that such a low limit is unrealistic. That might be the case, so let's use the committee hearings and public consultation to determine what the appropriate contribution level should be.

What I do know is that we need to lower the contribution limits to prevent anyone from having the ability to buy access or even to have the perception of buying access. Lower limits also have the additional benefit of forcing parties to earn broad support in order to succeed in their fundraising efforts. I can't emphasize enough how important it is for Bill 201 to be amended in a way that lowers contribution limits and closes loopholes.

Secondly, lower spending limits for political parties: Bill 201 does not change Ontario's party spending limits, currently 80 cents per elector. This means that a party's total campaign spending limit is around \$7.4 million, based on the 2014 voters list of 9,248,764 electors. I'm sure that's changed, and our Chief Electoral Officer could probably give us an updated number.

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Quebec's limit is 68 cents per elector. If we had that limit in Ontario, parties would have a campaign spending limit of around \$6.3 million. Taking over a million dollars out of a party's potential maximum budget would reduce the pressure to raise big money. An added benefit, from the perspective of many voters, is that lower spending limits might result in fewer negative attack ads, which seem more and more frequent in today's political world.

The GPO does support the addition in Bill 201 of pre-writ spending limits on advertising during the six months prior to an election, but we believe the committee should also consider developing a similar formula for campaign advertising during the entire period between elections, to place limits on what parties can spend.

And while it may be outside the scope of Bill 201, the GPO does believe that changes to the rules made last year for government advertising must be reversed. It's wrong for the government to potentially use public dollars for partisan advertising in a way that may be used to get around the pre-writ spending limits outlined in Bill 201, so I believe the issues are connected.

Third, I would encourage the committee to eliminate the partial reimbursement of campaign expenses. Candidates who receive over 15% of the vote in their riding get a 20% reimbursement of their campaign expenses by taxpayers. This public subsidy costs the treasury around \$1.9 million each election cycle. In addition, parties receive five cents per elector in ridings where a candidate receives over 15% of the vote. This public subsidy costs the treasury around \$1.2 million each election cycle, for a total cost of around \$3 million.

The reimbursement of campaign expenses is clearly unfair to small parties, new candidates and the citizens who voted for them. Perversely, it funds the campaigns of established parties with the tax dollars of people who voted against them. It also encourages candidates to spend more in order to maximize their reimbursement.

The GPO supports the complete elimination of the reimbursement of campaign expenses, not the reduction of the threshold from 15% to 10% proposed in Bill 201.

Next, I would encourage you to improve disclosure and oversight rules. Stronger disclosure and oversight rules are needed to ensure that corporations and unions do not funnel donations to political parties through individuals. According to campaign finance expert Professor Robert MacDermid, some jurisdictions in the US require individuals to list their employer and occupation when making a donation in an effort to avoid corporations funnelling donations through individuals. Quebec requires donations to be verified by Elections Quebec before being transferred to parties and candidates.

I believe Bill 201 should adopt similar requirements to ensure that everyone is playing by the rules and that the fundraising system is open and transparent.

In conclusion, I would like you to imagine this: a political world in Ontario where politicians are concentrating on what's best for Ontario, not on raising money to fund their campaigns; a world where parties engage a broad cross-section of people in their fundraising efforts, instead of focusing on cash-for-access events where politicians have to shake down wealthy donors for big bucks; one where the focus of political spending is to talk to people where they are on the issues, not to go after other parties through high-priced partisan attack ads; a politics funded not by those with deep pockets, but by you and me and our friends and our neighbours—by the voters of Ontario.

Now, picture this:

—low donation limits so MPPs can focus on creating good public policy;

—per vote funding that underlines how important each vote is, because that's how parties would be elected and funded; and

—lower spending limits to take away the pressure that we see right now to go after big money and to make promises in return for exclusive access to MPPs, ministers and even the Premier.

This picture looks a lot like a healthy and vibrant democracy, and I believe we can do this in Ontario.

Bill 201 starts us down the road toward a better democracy. As GPO leader, I've had the privilege of getting to know many of you, MPPs from all parties, and I truly believe that this is the road that all of us want to go down, and I encourage you to take it. Be bold, be transformative and make the changes to Bill 201 that take us all the way down that democratic road. Let's make the focus of politics about people, not about the incessant need to raise big money.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Schreiner. We'll start with Ms. Hoggarth and Mr. Clark.

Ms. Ann Hoggarth: Thank you very much for your presentation. Premier Wynne has committed to making this a collaborative, multi-partisan process to reforming our election financing laws, and you're right: It is time to do so.

The process that we have initiated is open, transparent and credible, and it seeks engagement of opposition parties and experts in the general public through this whole process. It is lengthy and consultative.

Can you detail the level to which you were engaged in the process before the legislation was introduced, in contrast with your involvement in other election-related bills such as the Representation Act, 2015?

Mr. Mike Schreiner: Yes. I met with the Premier on April 12, and we had a very productive meeting. As I said in my presentation, many of the ideas I shared in that meeting are incorporated into the legislation—not all of them, obviously; otherwise, I wouldn't have given you such a lengthy list.

I had subsequent meetings with both opposition leaders to discuss changes that they would like to see and we would like to see in the legislation and in the process. Then I met with the government House leader to review the details of the draft legislation. Based on that conversation, there was one small change made in the legislation. The rest of the changes I asked for I have presented here to the committee and would encourage the committee to act on them.

Ms. Ann Hoggarth: Were you surprised when you were asked to make a presentation?

Mr. Mike Schreiner: I've met with the Premier before on a number of issues. While we may have our disagreements on things, I think the Premier's Office, for the most part, has been relatively open to me on a host of issues, not just this one. She doesn't always listen to everything I have to say but she certainly does listen, so I would say thank you for that.

Ms. Ann Hoggarth: The Green Party has advocated for smart nomination requirements to recognize that not all nomination contests are the same in terms of their

level of activity, allowing campaigns with no spending to have simplified compliance requirements.

The proposed changes to the Election Finances Act, while regulating nomination contestants by requiring registration spending limits and contribution limits, only requires a contestant to retain an audit in the event that they receive over \$10,000 in contributions. Would this meet the criteria for smart nomination requirements, and why are they preferred?

Mr. Mike Schreiner: We want nomination contests to be regulated, and we support spending limits, etc. If, indeed, it's going to be a \$10,000 threshold, I think that would be fine. One of the concerns we had that was brought to us by some of the smaller parties was that their nomination contests are oftentimes just somebody putting their name forward. They don't raise money; they don't necessarily campaign. The fear was that if it was too onerous it would discourage those folks from putting their names forward. While they may not get elected, they make an important contribution to the vibrancy of our democracy and political debate. We wanted to make sure that the process did not create barriers to those folks being able to run for nomination in their party and stand as candidates.

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Ms. Ann Hoggarth: My final question: The bill sets a spending limit for nomination candidates of 20% of their riding spending limit during the previous election. Should parties be free to set lower spending limits than the 20% limit?

Mr. Mike Schreiner: The party chooses to set lower spending limits—I think they should be free to do that, yes. I would agree with that.

Ms. Ann Hoggarth: Great. Thank you very much.

Mr. Mike Schreiner: I think it's great that there are spending limits in the bill, though, just so you know.

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Grant Crack): Mr. Clark.

Mr. Steve Clark: Thanks for coming, Mike. I appreciate your presentation. Can you help me out? Just tell me a little bit about how your party raises funds right now. Obviously, you're well aware of how the three parties around this table raise money, but I must admit I'd love to know whether you have spending limits that you impose on your candidates and whether you have big-money fundraisers at high-tech prices. I'd love to hear what happens on the ground with the Green Party.

Mr. Mike Schreiner: First of all, I'll have to say they didn't—and you can go to the Elections Ontario website and obviously get detailed information through our disclosure. I'm proud to say that the Green Party, under my leadership, has gone from a party that raised maybe \$50,000 a year to one that now raises half a million dollars a year. It's not as if we're not participating in raising money. I want to be clear about that. Most of our donations come from grassroots donors, quite frankly. We have hundreds and hundreds of people who give about 100 bucks each, and it all, over time, has slowly added up to not an insignificant amount of money. That's how most of our events happen.

We do have ticketed fundraising events. We've been very clear about that. Most of them are \$100 or less. I'm trying to think if we've had any that have been higher than that. It's a pretty grassroots affair. To be quite honest, the Green Party doesn't have the databases, the staff and the sophistication that any of the three parties with seats at Queen's Park have. If we can figure out how to do grassroots fundraising, all of you are going to be way better at it than us, I'm guessing, because you're going to have more tools to do it.

I think parties can be incredibly successful raising small donations from people. That being said, if you go on the Elections Ontario website, you will see that we've had a few people—I can count them on two hands—who have donated \$5,000-plus to the party. Those weren't at ticketed events. Those were people who were just, "Hey, I got an inheritance. I'd like to give you guys a big donation because I like the work you're doing"—that type of thing. But it's not the focus of our fundraising, if that makes sense.

Mr. Steve Clark: Yes. Okay. I'll have others, but go to Ms. Fife.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Thanks, Mike. I know you haven't had a chance to read the Chief Electoral Officer's report that he gave to us yesterday, but I just want to draw a comparison to what you have recommended—it has to do with advertising. I don't know if you've been watching the House of late, but one of the areas of concern for New Democrats is around issue-based advocacy: groups that disagree with any government, be it the Liberal government or future governments, on any issue, from autism to environment to energy, for instance. As Bill 201 is currently crafted, they would be severely restricted in how they could publicly criticize the government. It limits the money they can spend, and now, also—

Ms. Ann Hoggarth: Or support.

Ms. Catherine Fife: Excuse me? Have you got something to say?

Ms. Ann Hoggarth: I said, "Or support."

Ms. Catherine Fife: Or support.

Bill 201 limits how people can communicate their concern or their support and really stifles public opinion. As Bill 201 has been crafted, this is a serious concern for us.

Yesterday, the electoral officer agreed. He said, "I am therefore concerned that the new definition, coupled with the extended non-election period to which it now applies, could capture advertising activity that was not intended. This is one reason, for example, that I want it to be very clear whether or not the act applies to government-sponsored advertising."

He recommends—and this is from some of the strong recommendations—"that the definition of political advertising proposed in the bill apply only during writ periods—in other words, that it not apply to the six months preceding the call of a scheduled general election."

You have said that you support the addition in Bill 201 of pre-writ spending limits. So you support putting those spending limits on the voices of Ontarians prior to an election period? The electoral officer shares our concern that it would capture other voices. Is this something that you're still working through, or do you really think you need shut down that six-month period prior to pre-writ?

Mr. Mike Schreiner: My recommendation would be to have very clear definitions and rules around what constitutes third-party advertising. If it's directed in a way that's partisan then, yes, I think it should be restricted, absolutely.

I'm not a legal expert. My recommendation would be to look at the Supreme Court ruling on Harper v. Canada and use that as a guide around how you define what is partisan advertising and what isn't partisan advertising.

One of the concerns I do have is that while we're looking at ways of restricting third-party advertising, which I support—

Ms. Catherine Fife: As do we.

Mr. Mike Schreiner: —we should also be looking at what we determine is appropriate government advertising, which I realize isn't necessarily part of Bill 201, but I think the two are importantly linked because of the way in which it effects issue-based discussion and debate.

Ms. Catherine Fife: I agree with you. The government changed the Government Advertising Act in June 2015, and it gave them more leniency as to what they could advertise about and how often. It places no limits on government—spending limits or issue limits. So you have on one hand a government that has carte blanche, really, to flood the TV and radio airwaves with whatever they want—and you just saw an example of the new climate change plan, the David Suzuki thing—

Mr. Lou Rinaldi: Chair, a point of order.

The Chair (Mr. Grant Crack): Point of order, Mr. Rinaldi.

Mr. Lou Rinaldi: I wonder if we could get back to speaking about Bill 201.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Rinaldi, for your input. I'll allow Ms. Fife to continue her line.

Ms. Catherine Fife: Thank you. Advertising is part of the act, Mr. Rinaldi.

This is the juxtaposition and this is the concern. The electoral officer actually said—and so I agree with you. There is a fine line. Yesterday he quoted the United States Supreme Court around issue-based advocacy: "What separates issue advocacy and political advocacy is a line in the sand drawn on a windy day." A private company, conceivably, could raise an issue, and then the government could make a plan around that issue, and then that private company talking about geothermal, for instance—that then becomes political advertising and is now subject to limitations. He acknowledges that this could be unintended.

That's the work of this committee: to bring some clarity to this, as you pointed out, because we don't want to be limiting private companies and what they advertise

about if the government can construe it to be political. For us, there's more concern around issue-based advocacy.

Thank you very much for also highlighting very strongly and saying, "It is wrong for the government to use public dollars for partisan advertising and to possibly get around pre-writ spending limits outlined in Bill 201."

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Please follow this issue very carefully, because we are perfectly aligned on that issue. Okay?

Mr. Mike Schreiner: Okay.

Ms. Catherine Fife: Thank you very much, Mike.

The Chair (Mr. Grant Crack): Mr. Clark, and then Mr. Rinaldi.

Mr. Steve Clark: I just want to pick up on what Ms. Fife was asking you about. One of the things I mentioned yesterday when Mr. Essensa was speaking was about the Manitoba ban on government advertising. It was the first election we've had in Manitoba where they've actually instituted the ban. Would you support such a ban of government advertising for that 90-day period?

Mr. Mike Schreiner: You know what? We haven't made a determination on that, but I certainly think it's worth exploring, absolutely, yes. I am concerned that the juxtaposition—I want to stick to Bill 201, but the juxtaposition of restricting third-party advertising, which I support, and not placing restrictions on government advertising, could be construed as partisan.

Mr. Steve Clark: Yes, I know. But the Manitoba rule, just so you know—

Mr. Mike Schreiner: It bans it. Yes.

Mr. Steve Clark: —would include tenders and employment ads, and if there was an emergency, the government could still advertise in those cases, just not the partisan stuff that this government has allowed to happen.

Mr. Mike Schreiner: Okay. That would be the level of detail I would want to know, because those types of ads—you're legally required to make some advertisements based on certain legislative changes or whatever. So you would have to make sure you draw a fine line.

Mr. Steve Clark: In your presentation, I'll read you the line that you read into the record: "Citizens should have the ability to direct their donation to any legally registered political party that is in good standing with Elections Ontario." Is that done in any other jurisdiction that you know of, where the person would just deal with the election agency and be able to direct their donation, as opposed to the present system or the proposed system?

Mr. Mike Schreiner: Maybe I need to be more clear on that. What I'm advocating for is not having the threshold. The per-vote allowance, which is in the legislation—a number of jurisdictions in Canada and around the world have per-vote allowances. What I'm advocating for is that the threshold not be in place. As an example, you can use numerous parties, but let's say the Libertarian Party of Ontario is unlikely to achieve the 2% threshold. Why would you deny them a per-vote allowance for the votes they received, provided they meet all the legal require-

ments of a registered political party? That's the point I'm making. In Quebec, the per-vote allowance is set up in a way that enables smaller parties to participate in the system.

The reason why I say it's not very much money—there are some parties out there that get maybe 500 votes. But should those 500 Ontarians be denied participation in the per-vote allowance that Green Party voters and Liberal voters and NDP voters and Conservative voters participate in? That's the only thing I'm asking for, just to be clear on that.

The Chair (Mr. Grant Crack): Thank you. Mr. Rinaldi.

Mr. Lou Rinaldi: Again, Mike, thank you for being here today. Just a quick question: Based on the way Bill 201 is drafted now, we know that that's not fait accompli. That's why we're doing some extensive consultation after first reading and second reading, to get some good advice.

Following up on Mr. Clark's previous question on how you fundraise, the Green Party and others, do you see that this will help provide a bit of a level playing field for the Green Party and others when it comes to fundraising for an election or building some kind of a war chest for an election?

Mr. Mike Schreiner: First of all, I think Bill 201 moves us in the direction of creating a more level playing field, absolutely. I don't think it goes far enough. Also, I would really like to make the case, because I would say, given what I've seen on my Twitter feed—if you can take Twitter for what it's worth—but also in comment sections of articles I've written, probably the most controversial aspect of Bill 201 right now, at least among the public, is the per-vote allowance.

Some people said to me, following my Twitter feed, "You hypocrite. You just want money from the government." Well, first of all, the Green Party would get less money than all of the other parties, so it's really not about what's good for the Green Party or, I would even argue, what's good for the Liberal Party or the NDP or the Conservatives. The per-vote allowance is just good for democracy, because it adheres to the principle of one person, one vote. I think it's an important component of the bill and I hope that you all remain strong in keeping that aspect of the reforms in the legislation.

Mr. Lou Rinaldi: Thanks for clearing that up. To follow up, in drafting this bill the way it is right now, there was a significant agreement that was needed that makes Ontario a leader in the way of reform to achieve this. Yes, there are other provinces that have done it before us; fair enough. I think your comments on my last question reflected this. But leveling the playing field by putting an end to corporate and union donations, the introduction of a per-vote subsidy, lowering the contribution limits, limiting political advertising six months prior to an election, restricting pre-writ and during-campaign party advertising and removing a by-election contribution period for central parties—out of these proposals, and I know you talked a lot about each one of those already,

can you maybe focus a little bit on one or two of them, or all of them, and how these can be strengthened? Again, just to make sure we have on the record what your thoughts are.

Mr. Mike Schreiner: Right, okay. First of all, if you want a general guideline, I would suggest looking at how Quebec does it, because I think they have the most rigorous campaign finance system, and the one that's the most democratic and fair. So that would be a good model to look at. Specifically, I think the most important element of the legislation is the ban on corporate and union donations, and I've talked about how I think that can be strengthened.

I think the per-vote allowance is essential. I think I've talked about how that can be strengthened, and the restriction on third-party advertising, etc.

I think the area that is in the most need of amendment is lowering donation limits. The fact that a person can still donate \$7,750 to a political party once you divvy it up between riding associations and candidates—I think it's still too high. I've been advocating a hard \$1,500 limit as a start, and I've even had criticism from some fundraising reform people saying that's too high. So I definitely know that \$7,750 is too high. I think that's probably one of the most important areas which the bill can be strengthened.

I think putting in spending limits would help. The fact that it doesn't change spending limits puts pressure on all of you. We can cast aspersions towards each other, but we all operate in this system that puts a lot of pressure on us to raise money. Lowering spending limits would help just relieve that pressure off of everyone. So I think that would be a very important step in the right direction. Those are the two areas that I think would be in the most need of reform or amendment to the bill.

Mr. Lou Rinaldi: This will be my last question or comment for this time around. We heard this yesterday as well with the Chief Electoral Officer and some other folks, and this is why I think this feedback is very important. I know that you advocated for donor disclosure by asking donors to list their employers, as a way to ensure that corporations are not funneling money through some other channels. Obviously you feel that might happen. Can you give us some suggestions on how we can try to control that? Because let's be fair: I think you've been more than fair by saying that it's difficult to capture everything, but obviously, we should try to have the best way to do things. Can you give us some idea?

1450

Mr. Mike Schreiner: First of all, I would recommend bringing Robert MacDermid in, who's a professor at York University, because he's more of an expert on this than I am, just so you know. I want to defer to people who know more than me. But he has pointed out to me that in the US there are jurisdictions that require occupation and residency disclosure. Then it becomes obvious if company X has 200 employees making a donation to political party Y that there could be some sort of collusion or something happening under the table. It's a way to

identify that, and with our real-time disclosure requirements that are already in place, that could even be disclosed while the campaign is still happening and could affect the outcome of the election. I think something like that is important.

Quebec has taken a different model where, before a party can actually receive the donation money, it has to be cleared through Élections Québec. Mr. Essensa would have to give you feedback on whether his office wants to take on that kind of responsibility or not, but that's another approach to get at that issue.

I think it's an important one, because whenever I talk about banning corporate and union donations—and I've been advocating for this for many years now—the cynical response always is, “Oh, they'll still find a way to get around it and they'll do it through X, Y and Z.” These are two approaches that have at least been tried in other jurisdictions, so you have a model to look at and to build on. It's not like Ontario inventing a new wheel to look at how we could prevent that from happening here.

Mr. Lou Rinaldi: Thank you, Chair.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Rinaldi, for that quick question. Mr. Colle.

Mr. Mike Colle: Thank you very much for your spirited presentation. As I tell people, I think I've been involved in over 50 elections myself, either as a candidate or helping others. The one thing I fear is that we're going to have a lot of professors and we're going to have a lot of so-called experts come in here and tell us how to run an election and what the rules should be, and yet they've never knocked on a door in their life.

The one thing I think is essential is to understand that to allow new people to run—as the Elections Ontario commissioner, Mr. Greg Essensa, said earlier, “You want a level playing field.” I just don't know how you're going to have a level playing field, because the one thing that people don't evaluate or analyze is the cost of running an election in this day and age. You could have all the volunteers in the world; you could have all the door-to-door knocking and all that stuff, but the cost of just getting in the game is getting higher and higher.

I don't know if you've got any suggestions about how to lower the costs, given that the costs of putting up election signs is getting ridiculous, the cost of getting information out—because as you know, Canada Post is now just for rich people. You can't mail anything anymore. At one time, you could do a postal walk. You can't. The cost of printing has gone through the roof. If you're in major markets, the only way you penetrate somehow is by using social media, and you can't use social media by itself, as you know, because you need to get into social marketing. You can have all the nerdy social media people doing your work, but you still need to buy a ticket to get into the social media market. Let's not even talk about radio and television; it's prohibitive.

I asked the Elections Ontario commissioner to think about this too: How can we, perhaps, lower those costs for candidates so that there would be an opportunity for people to get into the game and to participate fully?

We're all talking about lowering limits and lowering all these things, and that's great. We're probably—most of us—in favour of that. But then the reality is that it's an expensive game that we're in, not because of the politics, but just because of the nature of communication nowadays.

Mr. Mike Schreiner: Right. A couple of answers to that: One is that under the per vote allowance—and I'll have to go back and refer to the calculations on it, but I believe the Liberal Party would get around \$5 million. Does that sound right? Anyway, that right there is almost the current spending limit, so it's not as if the party is going to be handcuffed and not be able to function.

The per vote allowance isn't going to make everyone equal. The Green Party is going to get substantially less money than the Liberal Party or the NDP or the Conservatives, and the NDP is going to get substantially less than the Liberals, at least until after the next election. I don't think anybody who is advocating for reform is suggesting that every party should have the same amount of money. I don't think any of us are advocating for that. What we are advocating for is a more level playing field and more equal access to participate in the system for everyone. Not everyone has the ability, frankly, to have \$100,000 private dinners that charge \$10,000 a plate. I think it's those types of egregious events that people want changed, but I don't think they're expecting everyone to have the same amount of money to spend.

Having to go out and raise money is, I think, actually an important part of the process. As somebody who has had to do it—and I don't particularly enjoy fundraising, but you learn that you have to get good at it if you're going to be in this game. I don't think anyone is suggesting creating rules that completely eliminate that either, but having limits that are lower and more accessible to a broader range of Ontarians moves us to a level that's more fair and is, just as importantly, perceived to be fair.

On top of that, I would say—and I haven't thought through this, so maybe an Elections Ontario officer can speak to this—that maybe there are some opportunities around equal airtime—I know that this is federal jurisdiction versus provincial jurisdiction. I know we have some laws like that around equal airtime and things like that. We could be looking at the legalities around that to create opportunities for the debate and the discussion to happen that are not so expensive for parties.

Mr. Mike Colle: I'm not just talking about parties here; I'm talking about individuals. If you have a per vote allowance, how are they going to get into the game? If you're a small party or an independent, you're not going to be able to get in the game because of the cost of the game.

I like that idea of visiting the public airtime, because I know that initially, when local cable stations were local cable stations, we used to get on them quite regularly. I can't remember the last time I was ever on a local cable station. It's a whole different mandate that they have. Right now, you can't get airtime. And I'm not talking

about parties; I'm talking about individuals. How do you, perhaps, give opportunities for people to debate, talk about their issues, promote their issues or promote their platform? Because right now, as I've said, it is literally impossible, and about the only way you could maybe do it is through a big party. I think we need to look at some of the barriers to entering the process, which are getting costlier and costlier every election.

1500

Mr. Mike Schreiner: Right. I agree with you.

Mr. Mike Colle: And one other thing: You mentioned an interesting thing about fewer negative attack ads.

In fact, I'd like to ask research if you could give us a breakdown—maybe there is some data out there—on the number and cost of attack ads that are negative versus so-called positive ads that are used, especially in television and radio, which are the main sources for ads.

Mr. Jeff Parker: I'm not familiar with any research on that in Ontario. I can look. Are you okay with reports from other jurisdictions as well?

Mr. Mike Colle: Sure. That would be helpful.

Mr. Mike Schreiner: Could I make a suggestion on that, if you don't mind?

Mr. Mike Colle: Yes.

Mr. Mike Schreiner: I based that comment on looking at what happens in Europe versus North America. In Europe, where most countries have lower spending limits and per vote allowances, they have less money to throw around towards negative campaign ads.

There are other issues like proportional representation and things like that that are outside of this legislation and affect that type of debate as well. But if you were going to look into it, I would really recommend looking at how democracies work in a number of European countries, where, at least in the preliminary research I've done in talking with Green Parties in Europe, they've said, "We don't have as much money as you have. We have more public financing and we just don't do the negative. It's not as big a part of our political culture." Whereas if you look at the US, where it's like the Wild West—we look like angels compared to the States. The negative ads are, I would argue, out of control. So it appears, if you look across jurisdictions, that in places where you have more money to spend and fewer restrictions around fundraising, you have more negative ads than in jurisdictions where you have more limits and restrictions.

Mr. Mike Colle: Yes, that would be interesting to get.

I wonder: Are there any jurisdictions where—maybe one way of really cutting down the need to raise money is by banning negative ads, because it seems that most of the ads—certainly what I saw on television in the last federal election—were negative. Especially during the hockey games, I remember, it was just nonstop. But anyway, are there any jurisdictions you've heard of where they've just banned negative ads?

Mr. Mike Schreiner: That's a good question. I'll have to do some research into that. Again, I would look at Europe. Most of the preliminary research I did on this was with European Greens, and that was why I put that

section into my presentation: because the preliminary research I had done with them suggested that. But somebody would need to do more empirical data.

Mr. Mike Colle: Yes. We'll try.

Mr. Jeff Parker: Mr. Colle, you're asking for the difference in European campaigns, then?

Mr. Mike Colle: No, if there are any jurisdictions that have prohibited or limited so-called negative campaign advertising.

Mr. Jeff Parker: Okay.

Mr. Mike Colle: And I guess my final comment or question is—I haven't quite come to a conclusion on this, but one of the questions I'm starting to ask myself is, is this going to give rise to Trumpism? As you know, the candidate for the Republicans in the United States has been able to launch a campaign with his own money, through personal loans or whatever it is of his own personal fortune. What if a person has a great deal of personal money? Would this be easier for him or her to engage in the political process and make it more difficult for people with limited funds to engage in the political process?

Political parties aside, I'm talking about individuals running for the nomination and running for the candidacy of a party. Have you given any thought to that?

Mr. Mike Schreiner: My reading of the bill as it's currently written is that no, it wouldn't lead to that, because there are restrictions replaced on individuals as well, and independent candidates. I don't think you would see that, because under Bill 201, somebody like Trump wouldn't be able to use his personal fortune because there are limits. So I don't think that would happen, given how the bill is currently written.

Mr. Mike Colle: But the amount of personal money you can put into a campaign—are there—

Mr. Mike Schreiner: There are limits on that in the bill.

Mr. Mike Colle: On personal—

Mr. Mike Schreiner: Yes, on personal. I think the most you can donate is to your own personal leadership campaign, which is \$20,000. I believe that's right. That is the highest limit. All the other limits are substantially lower than that, so I don't think it would be possible under this bill.

Mr. Mike Colle: Okay. Anyway, thank you for your contribution.

Mr. Mike Schreiner: Sure.

The Chair (Mr. Grant Crack): Thank you, Mr. Colle. Ms. Fife.

Ms. Catherine Fife: Yesterday, the electoral officer talked about trying to create a process here. This committee's work is focused on creating a level playing field, and those are some of your themes as well, Mike. He also talked about whatever recommendations come out of this committee, that they put the elector at the centre, which is an admirable bar, right?

In order to understand how we got here as a committee, we got a little history lesson. When the Lortie Commission reviewed election financing, they did so

without having a piece of legislation on the table, so we are in an unusual position as a committee because we have this document. In our opinion, it's a flawed document, as you know. We've been very vocal about that.

Also, when the Camp Commission went through their review of electoral financing reform, it was a Tory government. But they decided that there would be three members, one from each party. In this day and age it would be four, because the Greens are there.

In the context of going forward, because you can see where the numbers are, and for us, process matters, do you want to comment on the fact that the Green Party is not part of this process even though we've moved a motion to try to get it as part of it? Justin Trudeau, at the federal level, to his credit—really unprecedented—made the committee that is reviewing electoral reform balanced in a very democratic way.

Would you like to comment? This is your opportunity to do so.

Mr. Mike Schreiner: Sure. I think I made myself very clear a couple of months ago that I support an all-party process, and I have indicated to the Premier and the government House leader that I advocate for a committee that doesn't allow the government to impose its majority will on the committee. I think, particularly for this piece of legislation, that would be the appropriate way to go. I understand that most legislation shouldn't move through the Legislature in that way, but I think this one is special because it's at the heart of our democracy: how we fund political parties and political campaigns.

I think for something that deals with something like electoral reform, which is what we're talking about federally, and election financing reform, which we're talking about provincially, I would prefer a committee process that doesn't empower one party to impose its majority will on the committee. So if this committee decided to move in the same direction that the Liberals did federally, I think that would be a good move and I think it would be a move in a positive direction.

Ms. Catherine Fife: What impact do you think it would have on the electorate? Because that's what we're trying to—we're trying to instill some confidence again, because there is a lot of cynicism out there.

Mr. Mike Schreiner: Right. I think it would just show people that there's goodwill to make this about what's best for our democracy and what's best for the electors, the citizens, the voters, and not necessarily what's best for parties. That being said, I would love to stand here and say the Green Party should be on the committee. I'm not here to advocate that we should be on the committee. I certainly appreciate the fact that there was a motion put forward by the NDP that would include the Green Party. My interest is more that the committee be structured in a way that one party isn't able to impose its majority will on the committee. That's my bottom line.

Ms. Catherine Fife: This is the problem, though. In your presentation, you say, "High limits mean high-end donors can still buy access," so you fundamentally disagree with the \$7,750.

Mr. Mike Schreiner: Yes.

Ms. Catherine Fife: It is high, and we heard yesterday that that's not the average amount of money that Ontarians donate. We heard about the high level—Ontario is an outlier as far as third-party advertising. The third-party advertising is off the charts for Ontario. We were shocked—I think genuinely so—when Mr. Essensa gave us the presentation yesterday. Ontario spends a huge amount of money on third-party advertising. There are no limits in Bill 201 on third-party advertising.

1510

You said that Bill 201 should close all contribution loopholes. I want you to address loopholes. For us, you can drive a Mack truck through these loopholes in this piece of legislation. This is your opportunity to get on the record what exact loopholes you want closed. Then there should be oversight, because that's the missing piece, right? It's one thing to have a piece of legislation that says, "We're going to try to make this playing field fair," but if there's no oversight to it, then it's just a piece of paper.

Mr. Mike Schreiner: First of all, for me, the main loopholes that need to be closed are the fact that you can donate to a central party, a constituency association and a candidate. Essentially, what appears to be a \$1,550 limit is actually a \$7,750 limit, which I think is too high. Those are the loopholes I would like to see closed.

The other part, around oversight: I'll just reiterate what I've already said around disclosure. I think we need stronger disclosure and oversight mechanisms. I've suggested two: Quebec and the US, and there may be others. But the legislation needs more oversight and disclosure requirements.

Ms. Catherine Fife: Just so you know, yesterday I did ask a question of the electoral officer around real-time disclosure. As you point out, it's \$7,750 in an election year, with, supposedly, \$6,200 of that going to candidates and constituency associations, but what will be disclosed?

Mr. Mike Schreiner: Exactly.

Ms. Catherine Fife: That's the question. There's a commitment on behalf of the officer to come back to this committee with some clarity. Ontario, up to this point, has had fairly strong real-time disclosure guidelines.

The one thing you have not referenced in your report is the issue of polling. The electoral officer is recommending that research and polling expenses be subject to spending limits as well. We both know that polling is a new character—I think polling is a new actor, actually, in elections in the province of Ontario, with very selective polling that does happen. Do you want to talk about—this is a disclosure issue as well, right?

Mr. Mike Schreiner: Yes.

Ms. Catherine Fife: It needs to be tracked. It's a lot of money. Go ahead.

Mr. Mike Schreiner: I did not have an opportunity to read all of Mr. Essensa's presentation yesterday. I did read some of it.

One part of his presentation I strongly agreed with was, I believe, not only polling but travel expenses. There were some other campaign expenses that are not included in the spending limits, and I would advocate including them as part of the spending limits.

Ms. Catherine Fife: Okay. Thank you very much.

The Chair (Mr. Grant Crack): Thank you. Mr. Hillier.

Mr. Randy Hillier: Thank you for being here today, Mike.

Mr. Mike Schreiner: Sure.

Mr. Randy Hillier: Sorry I missed your presentation, but duty called elsewhere.

Mr. Mike Schreiner: It was brilliant. Just kidding.

Mr. Randy Hillier: Listen, there are a couple of things that I want to ask you. From reading this, it appears that you're significantly in favour of the per vote subsidy, but you'd like to see it altered and the subsidy not be constrained by how somebody votes but by how somebody thinks on a particular day.

Mr. Mike Schreiner: No, no—

Mr. Randy Hillier: That you could direct your money—I was correct—

Mr. Mike Schreiner: No, go ahead. Sorry, I just—

Mr. Randy Hillier: The objective here that we're looking for is to make sure that we develop a strong, robust piece of legislation that carries the public's confidence and, of course, that it's fair and that it also doesn't present any undue barriers, or any advantages, to one party over another, or one group of parties over another.

You're opposed to improving the reimbursable expenses side. That, of course, is a strong advantage for local riding associations. The per vote subsidy does nothing for riding associations. It gives an advantage to the central party or the leadership of a party, but it doesn't give any benefit per se to a riding association, where the reimbursable expenses are advantageous to both the party and the riding association. They both derive a benefit.

Your opposition to this or your preference to advantage the party and not the riding association—does that come out of your own particular set of circumstances with the Green Party, where you don't have a significant presence at the riding association or significant campaigns at the local association but more as a provincial—

Mr. Mike Schreiner: Good question. My response to that would be, if the campaign reimbursement stayed, it would be to eliminate the 15% threshold and just do a reimbursement to riding associations regardless of whether they achieve the 15% threshold or not.

In Quebec, as an example, rather than doing it as a campaign reimbursement, they do it as a matching—I think it's the first so much money you raise. I know it's \$200,000 for a party. I can't remember what it is for a riding association. But there would be public matching of that.

What I'm trying to get at with the reimbursement issue is that it creates a significant disadvantage to smaller parties because very few small parties are going to reach the 15% threshold.

Mr. Randy Hillier: You're more concerned with the threshold than the concept.

Mr. Mike Schreiner: Absolutely. My main concern is with the threshold. What I've tried to do with my presentation is to create an even—we're never going to have, like I said, a completely even playing field—but to create a more even playing field for some of the smaller parties out there, everything from the Libertarian Party to the Communist Party and a number of them in between. If they're a legally registered party that meets all of Elections Ontario's criteria to be a party, then I don't think they should be completely excluded from the system.

Two exclusionary aspects of our current system that would be a part of Bill 201—one is the campaign reimbursement threshold, and the other one, if Bill 201 would pass as it's currently written, is the threshold for the per vote allowance. What I'm mostly advocating for is a reduction or elimination of those thresholds.

Mr. Randy Hillier: So in the ideal Green world, we'd have the vote subsidy, and we wouldn't have a threshold. Every party, if they're legally registered or legally recognized by Elections Ontario—if they got 50 votes or 100 votes across the province, they would be entitled to the subsidy; the same on the expense side, as well.

Mr. Mike Schreiner: To put that into perspective, if you think about it—some people have said, “Oh, jeez, are we going to fund everyone? We're just going to have anarchy out there.” I'm not saying you have, but I'm saying some people have. If you meet all the legal requirements and 50 people vote for you, shouldn't those 50 votes count and shouldn't those 50 voters be able to direct their donation to the party they supported or, in a case of a riding threshold, within that local campaign? It's not a significant amount of money—

Mr. Randy Hillier: What about independent candidates?

Mr. Mike Schreiner: I would be fine with independent candidates as well.

Mr. Randy Hillier: So no threshold, and if they got—

Mr. Mike Schreiner: As long as they meet the legal requirements. You have to be able to meet the legal requirements because we don't want just anyone who—as long as you meet the legal requirements.

Mr. Randy Hillier: Mr. Essensa is here, as well.

Just for the record, how many legally registered parties do we have in Ontario right now, and maybe if you could give us some idea of how many party candidates in total we had in the last election—party candidates under different banners and independents, in total.

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Mr. Greg Essensa: During the last general election, we had just slightly less than 700 candidates, and we currently have 21 registered political parties. Political parties go up and down, I will tell you. They can range anywhere from 18 to 22 or 23, depending on the time.

Mr. Randy Hillier: And I'm just going to pivot here for a minute, if you don't mind. Did we not alter the rules a few years back on registering political parties? Correct

me if I'm wrong, but we reduced the criteria or the requirements. At one time, a much larger number of people were required for a party to be recognized.

Mr. Greg Essensa: That is correct. The standard now is just to have two registered candidates, and you can legally constitute yourself as a registered party in Ontario.

Mr. Randy Hillier: So two—

Mr. Greg Essensa: Two registered candidates.

Mr. Randy Hillier: Okay. Previously, thousands of signatures were required.

Mr. Greg Essensa: Yes. There was a much higher standard based on the number of signatures that you had to ascertain.

Mr. Randy Hillier: Okay. You're saying this number fluctuates. Is that due to recognized parties being delisted or unrecognized, or is it—

Mr. Greg Essensa: There is a wide array of reasons. Some parties voluntarily deregister. Some become deregistered because of lack of compliance with rules and regulations. New parties generate themselves. Sometimes they become non-existent. There's a wide array of reasons why that fluctuates, but during my eight years as CEO, I would tell you that we've always registered somewhere between 18 to 22 or 23 parties.

Mr. Randy Hillier: The other thing, going back to Mike: We had a little bit about third-party advertising, but that's not where your focus is. That's not where your emphasis is, if I'm correct to say that. You're looking more at the election financing side than third-party advertising.

Again, would it be fair to deduce that would be because you have not been negatively affected by third-party advertising, and have maybe been on the benefiting side of third-party advertising with various environmental groups, NGOs or whoever, promoting a particular cause?

Mr. Mike Schreiner: First of all, I've been very clear that we support restrictions on third-party advertising and advocated for restrictions on third-party advertising prior to the introduction of the legislation. I support restrictions on third-party advertising. I would like it if we were more the beneficiary of it in the past, but we haven't been. I guess we'll leave it at that.

We haven't been a beneficiary of third-party advertising. I think the balance that just needs to struck is sort of the nature of the previous conversation: just to make sure the guidelines are developed in such a way that maintains freedom of speech. I think *Harper v. Canada* is a case that outlines that in Canada, and I would encourage the committee to follow that as a guideline.

Mr. Randy Hillier: I'm assuming you've read through the legislation.

Mr. Mike Schreiner: Yes.

Mr. Randy Hillier: Subsection 21(1), when I read that, tells me that other associations and/or trade unions will be able to provide group contributions for election financing or third-party advertising, and if the transfer is less than \$100 and there's no need for disclosure of who

that individual might be, whether that's a deemed transfer or a real transfer—but we won't know.

One of your comments is that there is stronger disclosure and oversight required and specifically “needed to ensure that corporations and unions do not funnel donations to political parties through individuals.” It seems like 1(1) allows a funnelling of labour to a political party; 21(1) allows for the funnelling of money. Were some of those the things that tweaked that comment?

Mr. Mike Schreiner: Both of those sections, particularly 1(2), if I remember correctly, were the reasons I specifically talked about paid labour in campaigns and that I think that section of bill should be changed. I think it's clear that if a corporation or a union pays employees or members—or if any organization, an environmental organization or whatever, pays their members to go work on another campaign—that's a donation.

That being said, I don't want to restrict people from volunteering. I have nothing against a union saying, “Hey, I encourage you all to go out and volunteer,” but I don't think they should be paid to do it.

Mr. Randy Hillier: Your view of volunteering would be consistent with my view: that “volunteer” means an unpaid position.

Mr. Mike Schreiner: Absolutely. It should be unpaid.

Mr. Randy Hillier: Not being paid by somebody else to provide my labours to a third party.

Mr. Mike Schreiner: That's right. So I'm not in support of organizations or corporations paying people to work on another campaign. I think that's a contribution and should be treated as a contribution.

Mr. Randy Hillier: Maybe I'll just pivot back over to the Chair. I heard some comments earlier, and there was some discussion, and I don't think the statements were correct or factual. There was some discussion about leadership campaigns being able to contribute \$20,000 to their—I know we have our Chief Electoral Officer here, and he may be able to provide the guidance that I'm seeking. But if not, would it be reasonable to have counsel from the ministry present so that when there are assertions or statements made, that we can see if they are, indeed, factual and not be making decisions on false statements or inaccurate statements? Because I don't believe that's correct about a \$20,000 contribution to your own campaign.

The Chair (Mr. Grant Crack): If the committee consents to requesting to have legal counsel come forward, we can certainly entertain that.

Mr. Randy Hillier: Well, I'm just wondering if it would be beneficial to have counsel present during the committee hearings.

The Chair (Mr. Grant Crack): Mr. Rinaldi.

Mr. Lou Rinaldi: If I may just comment: Mr. Hillier, somebody within this room could clarify your question. I'm not so sure we need counsel in our back pocket every minute. You can always ask for clarification, like we did yesterday when the Chief Electoral Officer was asked some question and he said he had to go back. That information could be coming or we could request it.

The Chair (Mr. Grant Crack): Maybe, perhaps, we could just ask the Chief Electoral Officer, Mr. Essensa, to comment on it, please.

Mr. Greg Essensa: Sure. The current provision in the bill, as it's written, is that \$25,000 is the limit for leadership.

Mr. Randy Hillier: Under the current provisions of Bill 201.

Mr. Mike Colle: To leadership.

Mr. Greg Essensa: That's correct. Just to leadership.

The Chair (Mr. Grant Crack): Thank you very much. Thank you, Mr. Hillier.

Mr. Mike Schreiner: I stand corrected; I was \$5,000 off on that.

Mr. Randy Hillier: Always good to make decisions based on accurate facts.

Mr. Mike Schreiner: Absolutely.

The Chair (Mr. Grant Crack): We're always entitled to correct our record, sir.

We'll move to Ms. Malhi.

Ms. Harinder Malhi: Bill 201 proposes to reduce the influence of third-party money. By imposing a spending limit on political advertising, and this includes associated-issues advertising by third parties—what process do you suggest we can implement to determine what an associated issue is? And if it is an associated issue and there is money being put towards advertising, then how do you suggest that we put that into the advertising budget?

Mr. Mike Schreiner: I would recommend bringing in legal counsel as well as the electoral officer to guide you on that because I don't feel that I have the competency to give you the details on that one, other than the basic concept of the restrictions on third-party advertising that I think are appropriate. My preference would be that the government go back to the way in which government advertising was regulated prior to the changes that were made last year.

1530

The Chair (Mr. Grant Crack): Mr. Colle?

Mr. Mike Colle: Yes. One other question came to mind when you were talking about trying to ensure that volunteerism in a campaign takes place but that you want to dissuade people from encouraging employees or union members from, essentially, engaging in forced volunteerism. For instance, the owner of a company can say, “We expect everybody to work on the campaign the next week.” You mentioned that one of the sanctions against that is, in some jurisdictions, where the profession and the place of work of the person—the donor—has to be given. What jurisdiction is that in? Is it in the United States?

Mr. Mike Schreiner: Yes. It's in the US. I would recommend that Robert MacDermid, who is a professor at York and an expert on fundraising reform, could provide you with details about how that functions. But in jurisdictions in the US, that's how it's done.

Mr. Mike Colle: I'm just wondering, and if I could ask research again or maybe the Chairman, if we could

refer this to the privacy and information commissioner and get her thoughts on this, because I know there would be a lot of people that would object to this—I suspect, anyway.

The Chair (Mr. Grant Crack): So what exactly is your request, Mr. Colle?

Mr. Mike Colle: I would like to get the privacy and information commissioner's comments on the proposal that exists in certain jurisdictions that anyone who donates to a campaign is to disclose their place of work and their occupation.

Mr. Randy Hillier: Place of birth?

Ms. Ann Hoggarth: Work.

The Chair (Mr. Grant Crack): Madam Clerk, would that be an undertaking that your office would be appropriate to follow up on?

Interjection.

The Chair (Mr. Grant Crack): The Clerk, on behalf of the committee, will write a letter to the privacy commissioner for a response with regard to your question, and then the response will be distributed back to the committee.

Ms. Fife?

Ms. Catherine Fife: Just a question of clarification as to this request: The only reason that we would ask the privacy commissioner to explore this is if this committee was looking to go down that road. What's the motivation to seek out this information?

Mr. Mike Colle: Exactly that.

Ms. Catherine Fife: Exactly what?

Mr. Mike Colle: We are looking—

Ms. Catherine Fife: So you are? Are you suggesting that the government would then ask people to disclose where they work?

Mr. Mike Colle: No, you didn't hear what I said. I said that in certain jurisdictions in the United States, this is one way that they monitor the whole situation about forced volunteerism. That's what they do in certain jurisdictions. I said that I would like to get a clarification on the privacy commissioner's position on that, if we were to do that.

Ms. Catherine Fife: So you are considering introducing an amendment to—

Mr. Mike Colle: No, no, no. We are exploring things, okay?

The Chair (Mr. Grant Crack): Further discussion?

Mr. Mike Schreiner: Can I respond, just to clarify?

The Chair (Mr. Grant Crack): Mr. Schreiner.

Mr. Mike Schreiner: Just to clarify: It's my understanding that, in the jurisdictions in the US, it's not related to volunteer labour; it's related to donations. That's an important distinction. In those jurisdictions, the disclosure requirements are around financial donations. You can't be in a situation where a company or a union or an organization could say, "Here, we're going to give you a \$500 bonus, and we expect you to donate it to party X or candidate Y." Just so I'm on the record, my understanding is that in the US it's not related to volunteerism but related to actual financial contributions.

Mr. Mike Colle: Yes, and I think it's just related—

Ms. Ann Hoggarth: They could have it for both.

Mr. Mike Schreiner: It could be, but I just want to be clear that—

Mr. Mike Colle: It's just related to one way of controlling the loophole around indirect, let's say, company or corporate involvement in the campaign.

Mr. Mike Schreiner: Right.

Mr. Mike Colle: If this could be commented upon by the Information and Privacy Commissioner as a way for us to consider if we're going down that road in the future.

Mr. Mike Schreiner: Right.

The Chair (Mr. Grant Crack): Further discussion?

Ms. Harinder Malhi: So the Green Party had been advocating for per vote allowances as an alternate source of funding for political parties. Bill 201 does seek to introduce an allowance, but only to those parties that receive more than 2% of the votes in the province and more than 5% of the votes where the party is running a candidate. Do you think the current per vote allowance threshold is sufficient?

Mr. Mike Schreiner: My request to the committee would be to consider just eliminating it. And just related to our previous discussion, if that means increasing the threshold requirements of what it takes to be a registered political party, maybe that's something the committee would want to look at in relation to that issue.

But my recommendation would be to eliminate the threshold just based on the principle of one person, one vote, one donation. Essentially, by having a threshold in place, you're excluding some voters from participating in the per vote allowance system, and I don't want them to be excluded.

Ms. Harinder Malhi: Thank you.

The Chair (Mr. Grant Crack): Further discussion.

Mr. Lou Rinaldi: Thanks again, Michael. Just a quick question: Correct me if I'm wrong, but I think your support of the just-in-time reporting of donations under the—to be as transparent as they can be, just in time. I reflect back on my own association, which is fairly healthy—good volunteers. I know how difficult it is sometimes to get volunteers on a regular basis—to impose additional volunteerism on them to do these types of things.

So knowing that—and I'm assuming. I know that your former candidates in my riding—good folks and good friends, I should say. In the past, in their structure and their commitment, would that just-in-time reporting—I'm not sure how they would do it. I know how difficult—and I have a very healthy association, and I'm very privileged to have that. But thinking of parties like yours, and I'm just being a realist, and knowing in my own riding the commitment that those folks make and the limited time, would that create even—although we want that transparency, and I'm all for it, but would that create a bigger impact on you than there would be?

Mr. Mike Schreiner: Right.

Mr. Lou Rinaldi: Okay.

Mr. Mike Schreiner: If I could direct that to the elections officer, Mr. Essensa.

Interjection: Chief.

Mr. Mike Schreiner: Yes, chief. I forgot the word “chief.” Sorry. My understanding is, the Green Party, as far I know, has been pretty successful in meeting our real-time disclosure requirements. Has it been a problem for other smaller parties?

Mr. Greg Essensa: Real-time disclosure, as I indicated yesterday—we are the only province in Canada that does real-time disclosure.

Mr. Mike Schreiner: Exactly.

Mr. Greg Essensa: The current provisions around that are that once a contribution is made, the party or constituency association has 10 days to get it to us.

Mr. Mike Schreiner: Yes, exactly.

Mr. Greg Essensa: We then have an internal policy that takes us upwards of 10 days. I would say that, for the most part, it is fairly well done. There are some outliers where there are some challenges, no question, and sometimes that has created some issues for us in getting that information in as timely and real-time a fashion as possible. I think with some of the advancements in technology that we’ll be introducing in the coming years, we’re hoping to speed up that process, but I would suggest to the committee that it has been a little bit challenging, particularly for some of the smaller parties.

Mr. Mike Schreiner: Yes, and I think—and I’ll have to ask my helpers/volunteers here—we’ve been pretty good. I think we’ve met all the requirements. So the answer to your question, just in terms of our own experience, is that it has worked, but I can’t comment on some of the other parties that are smaller than ours, because we do have enough machinery in place, so to speak, to fulfill the requirements.

Mr. Lou Rinaldi: Thank you.

The Chair (Mr. Grant Crack): Further discussion? Ms. Fife.

Ms. Catherine Fife: Not on this; it has to do with tomorrow. The Clerk just approached me about—I understand that the PC Party is having difficulty finding someone for Wednesday, but can find somebody for Thursday. I do want to move a motion, so actually I should ask for a five-minute recess.

The Chair (Mr. Grant Crack): That’s in order. If I could finish, please, I would just like to thank Mr. Mike Schreiner for coming before committee this afternoon and sharing his thoughts. It’s much appreciated.

Mr. Mike Schreiner: I appreciate the time and the excellent questions. Thank you.

The Chair (Mr. Grant Crack): Thank you. There has been a request for a five-minute recess—

Mr. Mike Colle: Let’s make it 10.

Ms. Catherine Fife: Let’s make it five, because—

The Chair (Mr. Grant Crack): I have one at five and one at 10. A five-minute recess.

The committee recessed from 1541 to 1550.

The Chair (Mr. Grant Crack): I’d like to call the Standing Committee on General Government back to order.

There was a request for a recess in order for the NDP, Ms. Fife, to prepare a motion, but in the meantime, there has been an order from the House that was passed that authorizes the official opposition and the third party the ability to call their preferred witness at any time that the committee sits. Therefore, you have the prerogative to do what you need to do in order to have both of your witnesses come forward either tomorrow and/or Thursday, if that makes sense.

Mr. Rinaldi?

Mr. Lou Rinaldi: Chair, just for clarification: All they really did in the House was to allow the PCs and the NDP to switch their day that they’re going to present somebody?

Ms. Catherine Fife: It’s actually not a switch. It was not a switch.

Mr. Lou Rinaldi: Sorry? Chair?

The Chair (Mr. Grant Crack): We’re waiting on a copy of the exact motion that was passed, but from my understanding, it allows the two parties, the official opposition and the third party, the NDP, to call their witnesses at any time that the committee sits, which is authorized to meet, and in essence would allow a change to take place indirectly. We’ll wait to see what happens.

Mr. Lou Rinaldi: If I may?

The Chair (Mr. Grant Crack): Mr. Rinaldi.

Mr. Lou Rinaldi: For clarification: Is that just for the hearing process?

The Chair (Mr. Grant Crack): Yes. I will wait until tomorrow. If either party does not call a witness for tomorrow’s meeting, then I will notify, through the Clerk, that the meetings will be cancelled.

Mr. Lou Rinaldi: What time frame do we have for that?

The Chair (Mr. Grant Crack): I’ll use my judgment at this particular time. I want it to be fair that the other parties have an opportunity to be able to prepare themselves for the individual who would be coming forward. If it’s a last-minute thing, I don’t think that that would be fair and appropriate.

Mr. Mike Colle: We’ll leave it up to your good judgment.

The Chair (Mr. Grant Crack): If there are individuals coming forward, I would ask that they come forward to the Clerk’s office as soon possible.

There being no further business, I’m sad to say it, but this meeting is recessed until 6:45.

The committee recessed from 1553 to 1846.

The Chair (Mr. Grant Crack): Good evening, everyone. I’d like to call the Standing Committee on General Government to order this evening after a recess from this afternoon. I’d like to welcome all members of the committee, members’ support staff, the Clerk’s office, Hansard, legislative research and our Chief Electoral Officer, Mr. Essensa, who is with us this evening.

We have four delegations coming before us to speak on Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007.

Without further ado, I would like to say that the presenters have up to 10 minutes for their presentation,

followed by up to 15 minutes of informal discussion, questions and comments from the three parties. I would just ask that all members of the committee not take up the entire 15 minutes. I'll try to have a balanced approach from the three parties, utilizing those 15 minutes.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Mr. Grant Crack): It gives me great pleasure to welcome, from the Ontario Public Service Employees Union, President Warren Smokey Thomas, who is with us this evening. We welcome you, sir. You have 10 minutes for your presentation. If you would like to introduce your guests as well, that would be much appreciated.

Mr. Smokey Thomas: Clarke Eaton is a special assistant to my office, to myself.

Good evening. I'm Smokey Thomas, president of the Ontario Public Service Employees Union. It's great to be here to talk about Bill 201 and the changes the government has proposed to election financing and political communication in this province. On behalf of the 130,000 OPSEU members working and living in every community in this province, I want to say thank you for the invitation and thank you for the time allotted for my presentation and the questions I hope you'll have.

As a free and democratic union that exists and operates within a framework defined by legislation and as an organization whose members' livelihoods depend largely on public funding for public services, OPSEU is deeply interested in public policy and the way our elected representatives are chosen. We are very concerned about the role of what I'll call "big money" in provincial politics. I don't think there is an organization in this province that has spent more time than we have trying to expose the links that connect politicians to corporate interests and vice versa.

Those Ontarians who care to see what is happening are witnessing the greatest robbery in Ontario history. Through the sale of public assets like Hydro One, through the use of public-private partnerships to build infrastructure, through contracting out of front-line public services and through other methods, a massive transfer of wealth is happening in Ontario today. It is a transfer of wealth from public hands to private ones. It is legalized larceny, and as such, it is profoundly undemocratic.

Six days ago, CBC News reported that GreenField Specialty Alcohols, a company that has received more than \$163 million in subsidies from the provincial government in the last decade, has donated \$480,000 to the Ontario Liberal Party over that time. That's incredible.

There is something wrong in Ontario. Not everything that is wrong can be fixed by changing the way political campaigns and political communication are financed and regulated in this province, but Bill 201 is a start, and we welcome it.

Bill 201 is an opportunity to talk not just about election financing, but also more broadly about democracy

itself. Democracy was invented as a counterweight to entrenched power, economic power especially, and I hope you will remember that in this debate, because so were trade unions.

I want to talk specifically about the key points in Bill 201 and then add a few ideas about what is not in the bill that we think should be. First, Bill 201 proposes the banning of corporate and union donations. On the face of it, all unions should be in favour of this. As far as I can see, corporations are outspending unions by a significant margin when it comes to political donations. So for us, the banning of corporate and union donations corrects the current imbalance and is an improvement.

But when it comes to third-party advertising, I think we're getting into different territory. The bill proposes to limit third-party advertising to \$100,000 per organization during a general election, and \$600,000 in the six months prior to the election being called. This is problematic.

OPSEU has never been part of the Working Families coalition—but we have shared polling and research with them—which has spent a lot of money opposing past Tory leaders to the benefit of the Liberals on election day. Nonetheless, we speak out frequently on a wide variety of issues and do spend money on advertising with respect to these issues.

Do we think provincial and demonstration schools that provide fabulous education to special-needs children should be kept open, not closed? Yes, we do.

Do we think ServiceOntario offices in communities like Terrace Bay, Milton and Embrun should be kept open, not closed? Yes, we do.

Do we think Bay Street bankers, corporate lawyers, construction bosses and Liberal party operatives who make up the privatization industry in Ontario are ripping off the people who fund their activities through their taxes? Yes, we do, and we're not afraid to say so.

I note that the limitations on third-party political communication in Bill 201 do not apply to all third parties equally. There is one group of corporations that is, as it appears, exempt, and that is the news media. In the definition section, Bill 201 specifically stipulates that "the transmission to the public of an editorial, a debate, a speech, an interview, a column, a letter, a commentary or news" does not qualify as political advertising. That's fine; we all support freedom of the press. But in doing so, we should ask ourselves why news corporations should be exempt from the rules for third-party political communication contained in Bill 201.

The news industry today is increasingly concentrated in fewer and fewer hands. To view Postmedia or TorStar as anything but corporations is naive. The political communication they do is little different from the political communication that OPSEU does. They just happen to own the means of communication.

The automatic exemption of media corporations from rules related to political communication needs to be examined. Why would we support it? In my view, there can only be one reason: that despite their political biases, sometimes overt, sometimes transmitted through editorial

choices that are invisible to most, we regard these media giants as organs of democracy. I don't object to that, but if freedom of political communication only applies to those who own the presses, we have a problem, especially when political communication by the most democratic, independent organizations in society is censored by law. I'm talking, of course, about unions.

Imagine: OPSEU spends \$1.3 million calling for proper funding for our public hospitals. For us, that's \$10 per member. The fact that we're able to empower those 130,000 members to speak up is an asset to our democracy, and yet, under Bill 201, it is seen as a detriment. I do not understand that.

Democratic organizations should not be barred from communicating about politics any more than news organizations should be. Both are vital to the functioning of political life in this province. They should be encouraged, not repressed. The point of reforming political finance should be to make the voices of people louder than the voice of money. Bill 201 isn't doing that.

Bill 201 falls down when it comes to contribution limits. Of my 130,000 members, I don't think more than a handful could ever afford to donate \$1,550 to a party or a candidate. For a person who makes \$40,000 or \$50,000 a year, a more realistic limit would definitely be less than \$100. If you look at the Bernie Sanders campaign in the US, it's easy to see that a major campaign can be financed with average donations that are much lower than that. With a contribution limit of \$1,550, big money still plays a big role in elections. I would lower it dramatically.

The idea of quarterly payments to political parties is another initiative in Bill 201 that I cannot support. The main reason for this is simple: If I voted for a party in 2014 but find I despise that party in 2016, why should I be forced to donate my public dollars to that same party in 2018 so it can compete against the party I now support?

Make no mistake about it, dollars are votes and we should treat them as such. The simplest idea might just be to allow every Ontarian to allocate \$10 per year to the party of his or her choice, paid for by the government, and ban all other donations entirely. I would love to see that debated here. You could tick it off in your income tax. That would certainly cause parties to tailor their policies to more Ontarians. I think I'm seeing a disturbing tendency in all parties to aim their campaigns only at people who will vote. With real money at stake and no other way to get it, we might actually see parties mobilize to reach people who normally feel excluded from the political process. You might actually boost participation, which should be the goal of all election legislation, whether it relates to financing or not.

On a final point, Bill 201 proposes a small change to the wording around the publication of public opinion polls on election day. The bill maintains the current ban, but really, what it should do is extend it. If we already know that the publication of opinion polls has an undue influence on voting behavior on election day, why not limit the publication of polls even further?

I would support extending the ban on the publication of polls to two weeks before e-day. Just imagine what election campaigns might be about if it became impossible for news outlets to turn them into horse races. I think it could only enhance the quality of democratic debate.

I want to thank you again for inviting me to be here on behalf of my members, and I would be happy to take any questions.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Thomas, for your presentation. We'll start with Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you, Smokey, if I can refer to you like that. It's how we know you best.

A couple of things that I want to explore from your presentation or that have come to this committee already—the piece about paid volunteers to help on campaigns, sometimes through unions or through other businesses. Right now in the bill, there's no provision to count that as a contribution. That includes mailing or dropping off literature. This is just to get your opinion. Should that be considered as part of an election expense?

Mr. Smokey Thomas: Yes, I believe it should.

Mr. Lou Rinaldi: Just to follow up on that, and then I'm done. The federal—

Mr. Randy Hillier: Could you speak up a little bit? I'm having trouble hearing.

Mr. Lou Rinaldi: Oh, I'm sorry. We know that the federal folks reformed their election financing rules and they banned corporate and union donations. Just today, we passed third reading on Bill 181, which I know you were at committee for a couple of weeks ago with the same process. Do you feel that the province should do the same thing? Should the province, though this piece of legislation, which we've indicated we're proposing to do—do you support that as well?

Mr. Smokey Thomas: You mean make it like the municipal one?

Mr. Lou Rinaldi: The federal one is already in place. Municipal: We've banned corporate and union donations. Should the province follow suit with this piece of legislation?

Mr. Smokey Thomas: Yes.

Mr. Lou Rinaldi: Thank you.

The Chair (Mr. Grant Crack): Ms. Lalonde, and then Mr. Hillier.

Mrs. Marie-France Lalonde: Thank you very much, Mr. Thomas, for being here. I certainly appreciate you taking the time. Yesterday, we had some significant discussion about the fact that Bill 201 does not explicitly prevent unions or corporations from sending paid employees to work on campaigns and be compensated. Is this a practice that your organization has previously participated in, and how should this actually be addressed in this proposed legislation?

Mr. Smokey Thomas: No, we've done book-offs in the past for some Liberals, a couple of Tories over the years and the NDP. We've done it. I think you should have to count it in when you're doing your tallying up of what you've got.

Mrs. Marie-France Lalonde: Thank you very much.

1900

The Chair (Mr. Grant Crack): Mr. Hillier?

Mr. Randy Hillier: It's nice to hear that you think that should be included in the contributions.

Just to correct the record here, I see the story from Mike Crawley from the CBC, when they listed the top five donors over the last couple of years. The biggest donor to the Liberal Party has been the United Association, the plumbers and pipefitters, at \$491,000, followed by the United Brotherhood of Carpenters and Joiners at \$484,000, and then we get into some of the other big-time corporate donors like GreenField at \$266,000. I think we can safely say there's significant involvement from both corporate and union donations, although, in the aggregate, the corporate world donates more.

I want to ask, Smokey, in your experience and in your time as head of OPSEU, what do you view the relationship is between political donations and expectations, and not specifically with OPSEU, but in your breadth of knowledge of how political donations work and what the expectation is from donors and recipients?

Mr. Smokey Thomas: My belief, based on what I've seen over the years, would be that there is a direct relationship—maybe not one that's criminal, but certainly it can be described as who you know and who owes you a favour down the road. All three parties, I think, could fall prey to that, but I think some of this might take that away.

Mr. Randy Hillier: Right. So legislation or public policy is influenced, in your view, by the amount or the extent of donations, in a broad-stroke statement?

Mr. Smokey Thomas: Yes, certainly, the perception—my members believe that. I heard that loud and clear from the activist base at convention.

Mr. Randy Hillier: Okay. Maybe I'll just ask one more question. OPSEU is not part of Working Families, but we know that Working Families is a significant player in third-party advertising. I just want to get your view as to why OPSEU wasn't involved—many other public sector and private trade unions were involved—and if you think that's a healthy relationship between Working Families and their third-party advocacy.

Mr. Smokey Thomas: My union is non-partisan in theory. Many of the activist base belong to the NDP. Indeed, I have four board members who sit on NDP executive committees. I do not hold a political card in my pocket. I agree with many of you on many things and I disagree with all three parties on some things, so I am agnostic. My union is as well. We've debated it twice at convention—direct affiliation to the NDP—and twice it was narrowly defeated. So there is a sense among the activist base that we should be partisan. I don't share that view and the majority of people at convention don't share it. I guess—

Mr. Randy Hillier: So by deduction, could we say that you don't see that same level of independence in the relationship with Working Families or that non-partisanship—

Mr. Smokey Thomas: I think you could see that anywhere. Whether any organization came right out and supported a political party, I can't imagine—if I did, I'd expect at least access down the road, or “You're going to hear me out.”

One of the other reasons that we don't do it, Randy, is that whoever gets elected becomes the boss of my members, and I don't want to be—you know, we had the NDP in power once under Bob Rae, who, it turned out, was a Liberal. That didn't work out so well. But it caused great consternation in the labour movement back in those times. It was a heck of a fight. I was directly involved in that and I made a lot of enemies, let me tell you.

Mr. Randy Hillier: I respect that position. I think that's a healthy and reasonable position.

I'll leave it at that, Chair.

The Chair (Mr. Grant Crack): Any further questions or comments? Ms. Fife.

Ms. Catherine Fife: Thank you very much for being here, Smokey and Mr. Eaton. The views that you've expressed to us have been sort of paralleled by the electoral officer, who just yesterday gave a presentation to us. Specifically, on page 2 of your report, you reference your concerns around, really, citizen groups or advocacy groups or policy-issue groups having their ability to weigh in on government policy. As Bill 201 is crafted, by the Premier of this province, Bill 201 prevents and limits and restricts the voices of citizens, including your own members, from weighing in on issues, just as you point out, around provincial and demonstration schools, around ServiceOntario offices, around autism, around health care and around climate change.

We were very encouraged to see that the electoral officer for the province of Ontario said he recommended that the definition of “political advertising” proposed in the bill apply only during writ periods—in other words, that it not apply to that six-month period preceding the call of a scheduled general election—so that voices of Ontarians, union members, corporations and private businesses be heard.

Do you want to comment on that, please?

Mr. Smokey Thomas: Yes. I don't know how this is all going to shake out. It's a very difficult task you will have ahead of you. But if you try and stifle democratic debate, that's when you sink into anarchy; you're into protest and violent protest.

There's a tremendous amount of anger out there in the public right now. For example, if you try to silence the demonstration schools, I would venture to guess that those parents would defy the law. I would support them completely and probably volunteer to pay their lawyer bills. They should defy a law like that, because it's undemocratic.

In my mind, you have to be somehow able to craft that so that you cannot stifle open public debate. There's no money changing hands here to say, “I want to have an opinion. I want to write a letter to the editor. I want to do a protest.” How does that advantage any party? It might disadvantage one, but it wouldn't necessarily advantage anybody.

Ms. Catherine Fife: Would you like to comment also on the fact that just this last weekend, there were advertisements around the new climate change plan. The Auditor General, to her credit, weighed in on this and said this is clearly partisan advertising, and that if the law had not been changed under the Government Advertising Act of June 2015, she would have ruled this completely as an illegal advertisement.

Yet we have this piece, on this side of the table, in the committee, and you have us saying, “Let’s not limit the voices of citizens in the province of Ontario,” and those voices obviously include unions.

Do you want to comment on that, please?

Mr. Smokey Thomas: If the rules are changed the way they changed the rules already, and if they could change them the way they want to this time, the biggest lobby group of all will be the government, with taxpayer money, so that would be wrong.

I watched that David Suzuki ad. I found it offensive. I don’t like the guy, to start with. I’m an environmentalist. I’ve met him. I don’t like him, and he knows I don’t like him—

Ms. Catherine Fife: Regardless if you like him or not—

Interjections.

Ms. Catherine Fife: Okay, Smokey?

Mr. Smokey Thomas: Yes.

Ms. Catherine Fife: You paid for it.

Mr. Smokey Thomas: Yes. That’s what I resent.

Ms. Catherine Fife: You paid for a plan—

Mr. Smokey Thomas: Yes.

Ms. Catherine Fife: You paid for an advertisement for a climate change plan that has not been released yet. It’s going to be released tomorrow morning. It has already been leaked twice. But you’ve been told, as a taxpayer of the Ontario citizenship, that it’s a really great plan and the government is doing a great job, and you paid for that.

Mr. Smokey Thomas: Last time I had heard, that was George Smitherman trying to pitch me on the LHINs before he would say what they were.

Ms. Catherine Fife: Yes, and look how well that worked,

Mr. Smokey Thomas: It was wrong then and it’s still wrong now.

Ms. Catherine Fife: I’m pleased, though, that you have come today, because the electoral officer actually has set the tone for this debate. His recommendation is that the government not be allowed to do this. His recommendation is that we find that balance between issue, policy and advocacy, which we need to do, and that’s an important job that this committee is set to do.

This committee, obviously, though, is—there’s a New Democrat—a good New Democrat, I might say—and then there are two Conservatives and then there’s a majority of government—

Mr. Smokey Thomas: They’re good Conservatives.

Mr. Randy Hillier: Good Conservatives.

Ms. Catherine Fife: Good Conservatives.

Can you speak to this process? Because for us, process matters. Process and legislation matter. Would you please comment on this process that is before you? Do you think it is a fair and democratic process?

Mr. Smokey Thomas: No, not the way it’s structured right now. I think the independent officers of the Legislature should never be interfered with. I’m happy to see that he’s here—and I’m happy I agree with you on some things.

Ms. Catherine Fife: We are relying heavily on this electoral officer to be unhindered, if you will, in his—the recommendations, though, that he has already made yesterday are in the best interests of the people of this province. We are calling on the government to adhere to those recommendations, which adhere to your policy recommendations as well. Thank you very much for being here.

1910

The Chair (Mr. Grant Crack): Thank you very much.

We have a comment from Mr. Hillier. We have about two minutes left, and Mr. Colle wanted to speak as well.

Mr. Randy Hillier: My comment is nice and simple: If the committee requests, Smokey, would you be willing and able to come back to have further discussions with this committee on this bill this summer?

Mr. Smokey Thomas: I absolutely would. I’d welcome that, actually.

Mr. Randy Hillier: Thank you.

The Chair (Mr. Grant Crack): We just have under two minutes. Mr. Colle.

Mr. Mike Colle: Yes, thank you. As you know, we do have the independent officer here as part of this committee within his own parameters. I think we all agree that that’s a very helpful step that is part of this process, which I think is democratic, but, as you know, democracy is not perfect.

The question I have is, though—I think you made a very interesting point that I’ve not seen made before. That is, that you talk about corporate media and how there are no limits at all on their participation in the democratic process. It seems everyone else will have limits on their participation, but yet we’re not allowed to talk about the biggest elephant in the room, which is constantly promoting and advertising all kinds of causes that they find noble. There’s no restrictions on them whatsoever.

Mr. Randy Hillier: I think we should restrict the CBC as well.

Mr. Smokey Thomas: Well, they should all be. Here’s why I say that. Whether you’re the Toronto Sun, constantly after the Liberals, or the Globe, constantly after anybody else, I don’t know where this line would be drawn or what the boundaries are. But there is a profound difference between the abuse of influence and power—which I do think the media gets to do; I’m not saying they always do, but I’ve seen what I would believe to be examples of that—and then what is reasonable public debate.

These companies now, about two or three companies, own almost every newspaper in this province. That's tremendously aggregated. There's a lot of power in the hands of very few people, so those editorial boards are very, very powerful. I can tell you right now, all the small newspapers—I live in Kingston, and there are hardly any full-timers. There's no editorial board at the Whig anymore, so they just get—what are they, Sun or Post? They just get all their stuff from Toronto.

To me, it's really problematic, and we intend to provoke that debate with the media. I've been known to scrap with a couple of them now and again. I think that they should be engaged in this conversation. We're going to do our best to make sure they engage in it.

The Chair (Mr. Grant Crack): We are out of time. I'd like to thank Mr. Thomas and Mr. Eaton for coming before committee this evening. We appreciate it.

PROVINCIAL BUILDING
AND CONSTRUCTION TRADES
COUNCIL OF ONTARIO
WORKING FAMILIES

The Chair (Mr. Grant Crack): Next on the agenda, from the Provincial Building and Construction Trades Council of Ontario, we have Mr. Pat Dillon, business manager and spokesperson for Working Families. I believe we have Mr. Hogarth, president and business manager from the Ontario Pipe Trades Council and also Mr. Paul Cavalluzzo, chief counsel of Working Families. Am I correct? I think I got all three. Excellent.

We welcome the three of you. Welcome, Mr. Dillon. You have 10 minutes for your presentation.

Mr. Patrick Dillon: Honourable committee members, thank you very much for the opportunity to hear our views on the proposed legislation this evening. My name is Patrick Dillon. I am the spokesperson for Working Families, and also the business manager of the Provincial Building and Construction Trades Council of Ontario, an organization that represents 150,000 construction workers in this province.

Accompanying me this evening is James Hogarth, president of the Provincial Building Trades Council and also the business manager of the Ontario Pipe Trades Council. On my right is Mr. Paul Cavalluzzo, chief counsel to Working Families. We are here to comment on Bill 201, also known as the Election Finances Statute Law Amendment Act, 2016.

As you may be aware, Working Families is a registered third-party organization that has engaged Ontario's citizens through political advertising both within and outside of election periods during the 2003, 2007, 2011 and 2014 provincial elections. Over the years, we have mounted television, radio, newspaper, Internet, and social media campaigns to convey the concerns of working families to the electorate, with the aim of exposing objectionable anti-union policy prescriptions that, had they been implemented, would seriously have hurt the working class.

As honourable members of this committee can attest, there is no shortage of challenges faced by working people in this province who are trying to make ends meet and raise their families in an economic climate dominated by precariousness and uncertainty. We have had experiences over the years dealing with various threats to workers' ability to organize, bargain collectively and retain an independent voice, which is why we strive to have that voice heard meaningfully within the realms of public discourse. I would especially stress that Working Families was born as a response to damaging policies inspired by supply-side economic thinking and anti-worker sentiments that in years past were embraced by the Ontario PC Party, whether in government or in opposition.

Having said that, Working Families does not oppose the Ontario PC Party as such, or any other political party, for that matter. We do, however, oppose regressive ideological positions which have the potential to evolve into official policies that solely benefit corporate interests at the expense of the workforce. The overwhelming majority of Ontario's citizens work hard to earn a living, and they deserve basic standards of safety, training, fair wages and respect in the workplace. In that sense, Working Families exists insofar as the anti-worker threat to undercut workplace rights in Ontario receives a plausible chance of winning power. We are political, but non-partisan.

Bill 201 proposes the setting of limits on what a third party can spend on political advertising during an election period, as well as setting limits on what a third party can spend in the six months before an election period. These proposals are far more restrictive than the rules we currently have at the federal level. We disagree with these proposals in the legislation on the grounds that they restrict free expression, something that must be protected—not restricted—in an open and democratic society, especially when deciding who to elect, and therefore entrust, with leading not just our provincial government but also the opposition, charged with the important task of scrutinizing the government of the day. We believe that the restrictions in Bill 201 fundamentally contravene the Charter of Rights and Freedoms and that political speech, such as political advertising, is the single most important and protected type of expression. In the Supreme Court of Canada's view, it lies at the core of guaranteed free expression. As long ago as 1938, the court stated, "The right of the people to discuss and debate ideas forms the very foundation of democracy."

As a third party, we certainly don't necessarily expect all Ontarians to agree with or act upon our message. However, we do see value in enabling workers—and citizens, more generally—to have a voice and to stake out positions via mass media on issues of common concern, including in the political realm. By no means do we believe that political parties alone should have a monopoly on political discourse, and we believe that most Ontarians in the general public share that conviction. By imposing limits on third-party advertising

during and outside of an election period, Bill 201 essentially enables political parties, at the expense of civil society, to have a greater say on issues of concern to public policy. We find this very, very troubling.

With all due respect to the intent of the political parties, many times, in the view of workers, governments and the opposition have simply gotten it wrong. We have the right under the charter to voice our opinions in a way that is unimpeded by politicians or anyone else. The proliferation of diverse views expressed by organizations like Working Families and others is a positive addition to the overall discourse of provincial politics, and all Ontarians are enriched by such views. Freedom of expression not only benefits the speakers; it also benefits listeners by exposing them to multiple perspectives, which in turn encourages them to think critically about their own beliefs so that voters can make more informed decisions at the ballot box.

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On another note, we are quite concerned that there has been no empirical research provided by the government outlining a demonstrable need for the restrictions in this legislation. We would like to see more concrete evidence, which the government is relying upon, in determining a substantial need for these restrictions, and whether the limits adopted are a proportionate response. Any proposal should be subjected to broader consultations with civil society, including organized labour, before decisions are made to amend the current act.

We absolutely believe in having regulations and rules that govern the conduct of political parties and of third parties. Organizing an election is a serious matter. Rules must be in place to ensure that citizens have the capacity, through political parties and other avenues of collective action, to organize themselves freely and to broadcast their point of view. If passed, this legislation will restrict that ability.

In conclusion, it is our view that Bill 201 is of questionable constitutional validity and that the third-party spending limits go beyond the federal law, which itself was narrowly upheld by the Supreme Court of Canada. We therefore strongly encourage this committee and the government to re-examine the content of this bill and to take out the restrictions on third-party advertising, so that our democracy remains strong, vibrant, and welcoming to all voices for the betterment of Ontario.

Thank you very much for your time and attention. We would be open to questions.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Dillon. We shall go in the order of Ms. Hoggarth, Ms. Lalonde, Mr. Hillier, Ms. Fife.

Ms. Hoggarth?

Ms. Ann Hoggarth: Thank you, Mr. Dillon, for your presentation. As a former teacher and union leader, I respect the power that we have at the table here.

Just to let you know, I don't think we're related, Mr. Hoggarth.

Mr. James Hogarth: My name is spelled with one G.

Ms. Ann Hoggarth: That's right. My husband's relative did have it changed.

The government is taking steps to strengthen enforcement mechanisms in the Election Finances Act. Everyone at this table believes that our democracy works best when there's a level playing field. To help provide that even playing field, based on federal election rules—which is implementing a penalty of five times for overspending for organizations that do not comply with the spending limit. Do you think these penalties are strong enough to deter overspending, or do they need to be strengthened?

Mr. Patrick Dillon: Quite frankly, I haven't experienced an overspending scenario. I don't know of any scenario in Ontario where overspending has taken place, so I can't really comment on that.

I think there is some truth to the point that a number of people have made that we live in the best province in the best country in the world. If there's any truth to that, what number are we trying to get to by making the changes? I'm not saying that the system can't be tweaked a bit to make it stronger, but I think this is a going-over-the-top revolutionary rather than evolutionary move in politics.

Ms. Ann Hoggarth: One of the things that I was surprised about—and I think it was the Chief Electoral Officer who told us: In regard to by-elections in 2012, we saw that registered third parties were responsible for 61% of all campaign expenses. Do specific by-election rules need to be put in place to further even the playing field?

Mr. Patrick Dillon: I don't know what numbers the Chief Electoral Officer is actually referring to.

I can say, and I've said in my comments here earlier tonight, that Working Families is a totally non-partisan organization and was not involved, ever, in any partisan advertisement in any election in the writ period or outside the writ period. I've been in front of Elections Ontario on that very point.

Ms. Ann Hoggarth: Part of the government's plan to transform our government's finance system is to implement third-party advertising limits. This will help to ensure that no one is able to monopolize the discussion of important policy issues in the lead-up and during an election. Bill 201 seeks to implement a spending limit on third-party election advertising of \$100,000 and \$600,000 in the six months preceding a scheduled election. Bill 201 also imposes pre-writ limits on political party advertising in addition to the existing election limits.

With regard to the third-party advertising limits, are these amounts too high, too low, what should they be changed to, and what information do you have to support this?

Mr. Patrick Dillon: I would ask the question back to you and this committee: What information does the government have for changing it in the first place?

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Grant Crack): Thank you. Ms. Lalonde.

Mr. Randy Hillier: Thank you for being here tonight—

The Chair (Mr. Grant Crack): No, Ms. Lalonde, and then you, and then Madame Fife.

Mr. Patrick Dillon: Be patient.

Mrs. Marie-France Lalonde: Gentlemen, I want to say good evening and thank you for joining us again tonight.

When I think about Ontario and the steps that we're taking right now to, what we would say, even the playing field by limiting the role of what we've discussed, which is third parties in elections, I think Bill 201 will accomplish this by taking some important steps towards the amount that third parties advertise with during an election. But there is a certain component where, if I may say, certainly in the descriptive, they are not included in that cap. I want you to comment on those. I'll say that transmission to the public in an editorial, in the news or in op eds, mailings to union members or company employees and making phone calls, allows day-to-day political operation and advocacy.

I'm going to ask you: Should the proposed bill make these very specific activities subject to spending limits to further even the playing field, and if not, why?

Mr. Patrick Dillon: Well, I guess you and I, and maybe me and most of the committee, might have a different view of what levelling the playing field is. The way I read the outcomes for Bill 201 is that it will not level the playing field for the people of the general public and third-party organizations like Working Families; it will put the lion's share of the political process into the hands of the politicians and out of the hands of the general public. So we really have a problem with that.

Mrs. Marie-France Lalonde: Can I just—

The Chair (Mr. Grant Crack): Yes, but I'm just trying to be fair as well, because there are still two others and we're over.

Mrs. Marie-France Lalonde: Okay, sorry.

The Chair (Mr. Grant Crack): I'll try to come back, Mr. Hillier.

Mr. Randy Hillier: Thanks for being here tonight. Listen, I wasn't quite prepared for the cataclysmic revelation and epiphany that Working Families is non-partisan and that they do not oppose the PC Party. I guess I was still in the historical context and the historical experience of Working Families. I'm glad to hear that you're no longer partisan and that you don't oppose the Conservative Party.

But listen, in all honesty here, as we heard from the Chief Electoral Officer yesterday, there is a wildly disproportionate amount of third-party advertising dollars spent in this province on provincial elections as compared to any other provincial jurisdiction and in the federal elections. I think third-party advertising is greater than all political parties combined. Then at the crux of that, Working Families is and has been the single largest player in third-party advertising. So if there's any discussion about the playing field, we need to be hearing from the people more at the bottom of that, not the behemoth who's involved in third-party advertising.

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But I want to put this question to you, Mr. Dillon. You said that Working Families is about conveying concerns

and being heard in a meaningful fashion. Just what does that mean? What do you mean by "meaningful fashion"? We see that the members of Working Families are the largest contributors to the Liberal Party. We see that you are the largest players in third-party advertising. What is it that you are expecting out of this "being heard in a meaningful fashion" that this committee can understand? What is it that you're looking at that all this money you spend is going to buy you?

Mr. Patrick Dillon: I could see you having some real concern about Working Families, if your comments were actually accurate. But the fact of the matter is, from the start—and Elections Ontario has played a role in this with your party, which asked for an investigation of Working Families. It came back that Working Families was not a partisan organization. So we need to clear that. I understand, if you believed that it was, that we were accused—well, the optics. You know what—

Mr. Randy Hillier: No, I think you were accused of being in a relationship with the Liberal Party.

Mr. Patrick Dillon: No. There has never been a contribution from Working Families to any political party, ever.

Mr. Randy Hillier: But your members have.

Mr. Patrick Dillon: Nor have we ever endorsed a political party, ever. You need to understand that to objectively ask questions of Working Families. You made a comment about contributing to the Liberal Party, which has never happened. So it's tough for us—

Mr. Randy Hillier: The members of Working Families, I said.

Mr. Patrick Dillon: Pardon?

Mr. Randy Hillier: I said the members of Working Families.

Mr. Patrick Dillon: Not of Working Families. Maybe other organizations have contributed to different political parties, but not Working Families. I want to say one thing about—

Mr. Randy Hillier: So how about I give you the question—

Mr. Patrick Dillon: Let me just finish on the Working Families thing. We have been accosted by your party, in particular, and never about the message—

Mr. Randy Hillier: Not physically.

Mr. Patrick Dillon: No, that's elbows. We use that. It was never about the message; it was always the messenger. If you look at the amount of money that Working Families has invested in third-party advertising in any one of the elections, we would represent 1.5 million to two million workers in the collecting of that money. It works out to like \$2.50 a head. You'd be okay with your corporate friends—

Mr. Randy Hillier: What about my question? What sort of "being heard in a meaningful fashion" are you expecting that this money will buy you? What is it that you're looking to be heard and what is the tangible outcome?

Mr. Patrick Dillon: Okay. The real basics of what we want to be heard on is when we have a political party that

in their election platform has policies of what they can do to people, not for people, this is of grave concern to Working Families. We will not stand back and let that happen without exposing that to the general public.

Mr. Randy Hillier: Okay, but Working Families doesn't exist just in the writ period; it's an entity that exists, a coalition that exists all the time. The expenditures, the money that you're spending: What is it that you're looking to get from the government outside of the writ period?

Mr. Patrick Dillon: Absolutely nothing from the government.

Mr. Randy Hillier: You're not looking for any change in legislation?

Mr. Patrick Dillon: We're looking to expose the political party that's advertising what they can do to us. We're wanting to expose that to the general public so that doesn't happen to us.

Mr. Randy Hillier: So your affiliate organizations are not looking for any changes in legislation? You're not looking for any changes in public policy? You're not looking for carding, for, on labour initiatives, collective bargaining rights? You're not looking for any of that?

Mr. Patrick Dillon: No.

Mr. Randy Hillier: You're just saintly.

Interjections.

The Chair (Mr. Grant Crack): Sorry, I didn't understand the word you said.

Mr. Randy Hillier: Saintly.

The Chair (Mr. Grant Crack): Saintly.

Mr. Patrick Dillon: Talking about saints is difficult for him.

The Chair (Mr. Grant Crack): All right. Thank you very much.

Ms. Fife?

Ms. Catherine Fife: Thank you for coming today. We have a huge challenge before us as a committee. I'm sure you will understand that.

The electoral officer has referenced that we are trying to level the playing field in the province of Ontario. He also asked us, in his deputation yesterday, to put the elector at the centre. Yet we are dealing with very unlevel playing fields already in the province of Ontario, particularly around government advertising. The province has changed the rules of engagement—they did so last June—around what constitutes a partisan advertisement and what does not.

The electoral officer has, to his credit, recommended that the definition of political advertising proposed in the bill apply only during writ periods. Because as the bill is crafted right now, people, prior to the six months, will not be able to either demonstrate their support for the government or their opposition to the government, and yet the government has unfettered access to radio and TV, to advertising, and the taxpayers of the province are paying for that.

I'd like to give you an opportunity—because in this context, you have been criticized for voicing your opinions on any number of issues, from public health care to

child care to workers' safety. Can you please comment on the reality that the people of this province face around government advertising?

Mr. Patrick Dillon: I'll let Paul take that comment.

Ms. Catherine Fife: Thank you, Paul.

Mr. Paul Cavalluzzo: I've got grave constitutional concerns—

Ms. Catherine Fife: Constitutional?

Mr. Paul Cavalluzzo:—constitutional concerns with this bill. As you know, the federal legislation does not regulate third-party advertising outside of the writ period. That federal legislation was reviewed by the Supreme Court of Canada in 2004 in the Harper case. One of the reasons why that legislation was narrowly upheld was that third-party spending was not regulated outside of the writ period. That was the key reason why that legislation was upheld. It was a 6-3 decision.

My own view—and I've practised constitutional law for many years—is that this legislation is dangerously close to, if not being unconstitutional.

In terms of what a constitutional bill should be, first of all, you should be relying on empirical evidence to demonstrate that there is a need for this kind of change. Secondly, in order to implement any kind of legislative purpose, it has to be a bill that minimally impairs freedom of speech.

We are talking here of political speech, which lies at the core of freedom of expression. We have a bill here which says that for six months before the writ period, your spending, the citizens' spending, is going to be regulated. That, in my view, is unconstitutional, and if this matter goes to court, it will be found to be unconstitutional.

So I would like to know whether the government is relying upon a constitutional opinion supporting this bill, because I would like to see it.

Ms. Catherine Fife: Well, we're hopeful—

The Chair (Mr. Grant Crack): Thank you very much.

Ms. Catherine Fife: No, no, no. We hope that—

The Chair (Mr. Grant Crack): Thank you very much.

I'd like to thank the three of you for coming before committee this evening. It's much appreciated. There was a request from a member: In the future, would you be interested in coming back as we continue to move forward with the bill?

Mr. Patrick Dillon: Just in response, because we didn't bring any material, we will put a brief together and get it to the committee. I'm hearing that you are going to do public consultations. We'll attend that, so that whatever we present will be—it was pretty well covered here, but you'll be able to examine us on that.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it.

Mr. Mike Colle: I have a request for the research officer, based on the presentation.

I'd like to ask for two things. First of all, the question asked by Mr. Dillon about the empirical evidence: Is

there any empirical evidence referring to the impact of third-party advertising on the electoral process, I think, is what Mr. Dillon asked for. If we could try and see if there is any evidence out there or any research done.

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Mr. Jeff Parker: Same question as before, Mr. Colle: Are you okay with other jurisdictions outside of Ontario if we can't get it here?

Mr. Mike Colle: Yes, that's fine.

Mr. Jeff Parker: Okay, good.

Mr. Mike Colle: The second thing is in regard to Mr. Cavalluzzo, who's a renowned constitutional litigator and expert. I think he raises a very valid question. I would like to try and get the parameters of the constitutionality of this piece of legislation as it relates to the Harper v. Canada case and other cases that have come before the federal court in regard to the constitutionality of restricting third-party advertising during election periods. I think I'd like to get that framework. I don't expect a total legal brief, but I do expect a framework of understanding in that area.

The Chair (Mr. Grant Crack): Mr. Parker.

Ms. Catherine Fife: Just a point of clarification, though: It's six months prior, not during. The question—

Mr. Mike Colle: No, I'm not asking about that kind of specificity. I'm asking for the general constitutional—

Ms. Catherine Fife: But that's the issue, though.

Mr. Mike Colle: —realm that we're dealing with, okay? That could be part of it, but we need to get the constitutional parameters before us, just so that we can get an understanding of what we're dealing with.

Mr. Jeff Parker: Mr. Colle, legislative research can provide you with a summary of the cases that have come before on this issue. We cannot provide you with a legal opinion on that matter. That's outside of our mandate.

Mr. Mike Colle: Okay, so if you can give us the—

Mr. Jeff Parker: We can tell you what cases have come before on this issue; we're happy to do that. What we can't do is give you the legal opinion or a constitutional reading of the matter.

Mr. Mike Colle: That's fine. Many of these cases are going to be referred to in deputations, so I'd like to see a summary of those.

The Chair (Mr. Grant Crack): Thank you very much. Thank you again for coming.

MR. ROBERT MACDERMID

The Chair (Mr. Grant Crack): Next on the agenda we have Mr. Robert MacDermid. He's an associate professor of political science at York University. Mr. MacDermid, we welcome you to committee this afternoon. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning. Welcome, sir.

Mr. Robert MacDermid: Thank you very much for the opportunity to talk to you about Bill 201. I've studied election finance in Ontario at the provincial and municipal levels as well as at the federal level. I've looked at

this for decades and I welcome the chance to talk about reform. It doesn't come along very often.

There are a lot of reforms in this bill. It's difficult to talk about them all in 10 minutes. I've tried to pick six things that I think are important and speak to them.

Interjections.

Mr. Robert MacDermid: Is that a—keep going? Yes.

I should say that first of all, my approach to campaign finance is that we need systems that rely on small contributions from a broad base of funders. We know that when we have systems that allow high contribution limits and that allow corporate and union contributions, the whole economics of fundraising pushes parties into the arms of the wealthiest donors. This occurs time and time again in jurisdiction after jurisdiction.

Lowering the limits and excluding non-voters from political finance rules preserves what representatives should do, and that is to be listening to citizens when they ask for money in support of those opinions. The campaign finance system must reinforce rather than undermine the purposes of representation, which is what happens when we have a limit that allows large contributions.

Before I get into the criticism of the bill, I want to say that this bill is an advance. I think it's a huge improvement, the banning of corporate and union contributions—mostly corporate because, let's be honest: 90% of those two sums is from corporate sources, not from union sources. That is a huge step. It brings us into line with what has been the rule at the federal level, as you know, from about 2006, and of course, in four other provinces that have since moved on this. Ontario is not at the forefront of these changes, but at least we're in the game at this point. I hope also that the government will take some time to study some of these changes a bit more and hear some more in-depth research on some of these things.

I wanted to speak about disclosure, first of all: the disclosure changes in the bill, the third-party regulation, the contribution limits, higher limits for candidates' contributions—which is a change—expenditure limits and then public financing. I'll do that in about a minute each.

First of all, I think that the bill is a step backwards in disclosure, and I'm a little disappointed in that. I think disclosure is really important in campaign finance systems. I think every person in public office should want complete disclosure, because, of course, the criticisms always come to office-holders about, "You took a cheque from so-and-so; you must be in their back pocket." If I were in public office, I would want to know that everything is disclosed so that anyone who thought there was a connection between these two things could quickly go to the material and find out whether there was or wasn't. That's what I would want. I really think that Ontario is behind on that and we're actually moving further behind on that.

In this little table I have, when you look at the comparison of what the rules are now and what they will be,

it shows that about 30% of the contributions coming in to all the sources in a year when there's an election are subject to real-time disclosure. The rest is not. It goes to the constituency association. It goes to the central campaign. It goes to the candidate's campaign. That's not disclosed in real time. Nobody knows who gave you money.

Some people in major elective offices in the city of Toronto have decided, when they run for the mayor of Toronto, that they will pre-disclose. As a matter of routine in the last three elections, all major candidates for mayor pre-disclosed before election day happened.

We really don't have that at the level of Ontario, and I think that citizens deserve to know. That's important information. I want to know who gives you money. It's going to affect my vote. I think that citizens deserve the same thing.

I might point out that American citizens get this as a matter of rote. We can say all sorts of negative things about money in American politics, but, quite frankly, Americans, through the Federal Election Commission, have a vastly superior disclosure system to the one that we have.

That would be the second point that I would make. We hide the information about contributors very assiduously in this province. We only make available on the Internet the name, which, of course, is not sufficient to identify an individual. The Chief Electoral Officer systematically does not put on the Internet the addresses of people, which would allow you to connect names and with some certainty say that the contribution is from the same individual—or they require that you go to deepest, darkest Scarborough and pay money to get those sheets of paper to actually identify addresses. That's not adequate for disclosure.

The FEC goes even further, and I think this is really important since you've lowered the contribution limits. What the Federal Election Commission in the States does is that it requires the disclosure of the employer and the occupation of the contributor. That's all available. Yesterday, in class, I looked up for my students Brad Pitt and George Clooney on the FEC website to see how much they had given to Democratic candidates in the United States. It was all there. It was clear that it was George Clooney. He was an actor and he lived in Santa Monica. It was very clear who he was and how much he had given. I could see his donation record going back for 10, 15 or 20 years.

We're not allowed that information in Ontario, and I think that we should be allowed that information. I think that it would help you because you could say, "Here are the contribution records. There's no question about who is giving this." I really do think that this is a chance to improve disclosure to the level that American citizens have experienced for decades—without any loss of contributions, I might add. People are not afraid to give to American politicians. They still do it, despite the fact that those names are disclosed.

Let me go on to the second point: third-party regulation. Much has been said about this. I'm heartened by the

fact that a lawyer preceded me and pointed out some of the things that I would point out, and that is, all of this legislation could be better informed by a reading of *Harper v. Canada* and the justices' decisions on Harper, where they agonize over the length of the campaign period and say that they could only defend Harper—it was a majority decision of 5-4. Both sides talk about the length of the campaign; both talk about the limits on free speech; both question whether those limits pass the Oakes test, which is what Mr. Cavalluzzo actually spoke to just a minute ago. I think that that's a really important point.

The other thing is, I think, quite frankly, that it's probably unenforceable. It's not uncommon to see political finance regulations that are acts of imagination. They're not enforceable.

This is a parliamentary system. It's not a presidential system. You serve at the pleasure of the majority of the House. The government could be defeated at any moment. In a minority situation, I can see every third party saying, "There will be no regulations here. We might as well just start advertising right away, because the government could fall at any moment." There will be no application of a six-month rule in that situation. It's just a joke. They will naturally just wade in there, expecting that the government will fall long before the four-year term that would allow the six-month window to actually be enforced. So I don't actually think that it's enforceable in minority government situations. In that case, it seems to be not particularly effective.

Contribution limits: Let me go on to that. The average contribution that citizens make to parties—you know this; it's in the reports of the Chief Electoral Officer on an annual basis. The average contribution from an individual is less than \$500. Often, it's \$250. It varies from party to party, from period to period, but it's small. It's about \$500. Sometimes, it's under \$300.

You have proposed a limit of \$7,750. As far as I know, 99% of citizens in the province of Ontario would never dream of giving that amount, but 1% might. You've designed a piece of legislation that benefits the 1%. I think that limit should be much, much lower—maybe \$1,500. I leave it up to you. It could be a global limit that applies to all parties on all occasions. It's confusing as it is. What about just \$1,500 for all parties on all occasions in a year? Just leave it at that and say that's what the rule is. That's what everyone can follow, and that will reduce confusion.

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The fourth point was higher limits for candidate contributions. I was very disappointed to see that in the act. We're moving back towards municipal politics, which I think is regressive. It will become a tithe on all candidates to pony up \$5,000 to run because they're now allowed to have a limit that's higher than ordinary citizens. I don't believe that's reasonable. It's not the case at the federal level. It wasn't the case until you made this reform. Candidates were all subject to the same limits that other citizens were. I don't think you should

now be making a special rule for candidates because, as I say, that will become a tithe. You will all be asked by your riding association, in the next election, to pay \$5,000, because that's the limit that applies to you. Are you happy with that choice? I wouldn't be if I was in office.

The fifth point is expenditure limits. The quickest way to deal with money in politics is to reduce the expenditure limits. They've been allowed to rise, partly driven up by the cost of—not driven up by the cost of television, but the cost of television advertising has taken up ever-increasing parts of campaign budgets. We're now up to—in different periods—55% of the campaign budget going to television advertising. The simplest way to reduce the effect of money and the need to raise large sums would be to reduce expenditure limits. Just bring them down. Large amounts of money are spent by parties on ads, which are simply wasted. There's no real, known effect, often, for advertising. The advertising industry will come and tell you that advertising can sell everything. I'll tell you, from a point of academic research, about political advertising: Often, the conclusion is that it's hard to know if there's any effect. Since only one party won, one might conclude that the other two thirds that was spent was wasted. It doesn't take much imagination to imagine that if we just reduced the budgets and then spent less on manipulative advertising, which citizens often find offensive—I'm sure you've heard that before—it might do the whole process good if we actually cut out some advertising and lowered the expenditure limits.

Finally, public financing: I know that you've proposed a party allowance. Obviously, parties need enough money to communicate with citizens during campaigns. They need tax subsidies to some extent. I looked at this at the federal level in 2009, when the party allowance was in place. In some instances, up to 80% of the major parties' money—Liberal, Conservative and NDP—was coming from the public purse, when you include the cost of the tax credit, when you include the campaign subsidies, and then when you include the party allowance. In 2009, as much as 80% was coming from the public purse. I think that's too high. Moreover, I think the allowance allows parties to subsist on a level that was determined by popularity four years in advance, so it always works in the incumbent's favour. Even if an elected government, which obviously had the largest percentage of votes in the first election—even if they're unpopular by the time the second election comes, they're still benefiting from that prior popularity. So it benefits the incumbent. There's no question about that.

The Chair (Mr. Grant Crack): Final comments. We're over a minute—

Mr. Robert MacDermid: Okay.

On the other hand, parties shouldn't become primarily fundraising organizations. I think a combination of increasing campaign subsidies to the federal levels, which are higher, as you probably know, and increasing tax credits, as well as allowing a credit for the number of people who give to you, might in some way better

replace that party allowance which I think is open to questions.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate your presentation.

Ms. Fife, then Mr. Hillier, Ms. McMahon, Ms. Hoggarth.

Ms. Catherine Fife: Thank you very much, Mr. MacDermid, for coming. I also want to let you know that this committee is going to continue to meet throughout the summer, and so you will have another opportunity to come back—because it has been so much fun for you.

Laughter.

Ms. Catherine Fife: Also, on a lighter note, I would really welcome the fact that Brad Pitt or George Clooney would contribute to any of my campaigns.

The idea of real-time disclosure is of great interest to us. I did raise this with the electoral officer. As you pointed out, the new donation cap is \$7,750. It's a huge number. Most—1%, I think you referenced—would never contribute to a political party or candidate. The issue of how much of that \$7,750 contribution would appear in real-time disclosure—we suspect it would come out as \$1,550, because it goes to several other places.

Can you talk about that a little bit? Because it's an accountability piece that we're going to grapple with as a committee, and it will be a huge culture shift if we get it right for the people of this province, that all of their information is there, as we believe it should be.

Mr. Robert MacDermid: I think it does decline as a percentage of the total allowable. I'm looking at that table of what somebody could give, if they could give the maximum. How much would be disclosed? In the rules as they are now, 30% would be disclosed, whereas in the rules as you're proposing, only 20% of that money would be disclosed, the \$1,550 that goes to the central party.

One suspects that parties, because parties make up the rules and act upon the rules—these are not given by Solon. It's pretty clear that parties will direct contributors to give money more to constituency associations than candidates. So more money will be funnelled into those bodies and will avoid disclosure, at least real-time disclosure, so we won't know until six months after the fact who gave money to the candidates.

I don't honestly think you want that. As public office-holders, you want to be able to tell people who is funding you.

Ms. Catherine Fife: Yes, I think it should be public as well.

Mr. Robert MacDermid: Absolutely.

Ms. Catherine Fife: This afternoon we heard from the leader of the Green Party, who was talking about a trend in the USA around employer donation disclosure. For instance, if a green energy corporation donated a certain amount of money or a certain amount of volunteer hours, this would be disclosed in a very public and transparent manner. Mr. Colle is not here right now, but he had posed a question to the privacy commissioner about the legality of that in the province of Ontario. But

more importantly for us, I think we're questioning whether it works, is it effective, or is it just for show; is it just the optics of transparency, if this disclosure actually happens in real time?

Mr. Robert MacDermid: I think that you're muddling a few things. First of all, corporations can't give to candidates in the United States, in the system. They can give to PACs, political action committees, but they can't give directly to candidates.

But the point of asking a contributor to reveal their corporation and their occupation is to avoid employers giving money to employees to direct to a candidate of the employer's choice. We know this happens. You all know that it happens. I've been told many times by people in office that, "Oh, yes, I know that so-and-so gave money to their employers," and I look at contribution lists.

I know who works for who to some extent, especially amongst developers. I have a vague idea that so-and-so is an employee of somebody else. I once had a student in my class whose name was on the list who was a relative of a developer. I can guarantee you that he didn't give the \$750. It was probably given by his parent to him, to give.

So the disclosure of the employer's name and the occupation allows a journalist to come along and say, "Wow, everyone from that company gave money. I should call up a few of those people and see if they gave their own money." With any cabal, the bigger it gets, the more likely it is to be revealed or disclosed.

Ms. Catherine Fife: You'll understand that we're trying to navigate through the muddling of these issues, right?

Mr. Robert MacDermid: Yes.

Ms. Catherine Fife: So my question to you is, in the United States, as a practice, does this work?

Mr. Robert MacDermid: Yes, it does.

Ms. Catherine Fife: You made reference to how a journalist would actually do the investigative research. Is there no other body? Would it be up to the electoral officer in the province of Ontario to ensure that if there are volunteer hours donated by a certain corporation or union—is that the job of the electoral officer?

Mr. Robert MacDermid: All election rules suffer from a lack of oversight and a lack of active investigation in the sense that people actually will pursue what they think they're suspicious about. I will give credit to Elections Ontario. Elections Canada perhaps pursues this better, but through the office of the commissioner of elections, who is actually there to prosecute violations of the elections act. At the provincial level, I think Elections Ontario does its best to take in forms, to inquire about any things that seem wrong and to ask the constituency association in particular or the party to clear up any inaccuracies. Are there a lot of prosecutions? No, there are never any prosecutions. Let's be honest: It's very difficult to prove some of these things, which is why disclosure is often a better course, because then, at least people can see the evidence and it's much more likely that prosecution will occur.

Ms. Catherine Fife: That's important for this committee to hear.

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The Chair (Mr. Grant Crack): Thank you very much. I try to be fair. I think what I'm going to need to do is stop everyone at five minutes so that we'll work further.

Mr. Hillier.

Mr. Randy Hillier: Thank you for being here, Mr. MacDermid. In your brief—there's little that I could find disagreeable or objectionable to—a thoughtful brief.

I do want to maybe make one comment. You've got in there that there would be a global limit of \$1,500. In practical terms—we've seen this already, where I receive a contribution but I don't know what the person may have contributed elsewhere, and I could be in violation. There are some mechanics here that are difficult, especially if we move in the direction of administrative monetary penalties, where I would be penalized for unknowingly breaking that administrative requirement.

I find it interesting, your views on openness and disclosure. I think they're very well-suited and informative for the committee. I do hope the committee takes those to heart, that we need greater openness, because even with the information that we have available today, it becomes an insurmountable project to find actually who is involved, even with the level of openness that we have.

We see, in Bill 201, new elements that will further create opaqueness instead of openness. I refer to section 21(1), where contributions of less than \$100 will not have to be identified under the group contribution limit. Maybe at some point we could get into that in further detail, because I do hope that you will be able to make yourself available to the committee for further discussions.

It's clear for me—I'll make this statement, and you can tell me if I'm correct or if I'm incorrect. You've spent a lot of time and you've done a lot of investigation, a lot of examination, on this subject. You've come to a conclusion that the way we finance political parties today has led to an unhealthy outcome: that public policy legislation, and relationships between money and politics, is detrimental to what our expectation of democratic governance is.

Is that a fair statement?

Mr. Robert MacDermid: I think that's fair. I would say the current regime seems to challenge the legitimacy of the system and casts you all in a bad light. I think people's trust, people's views of politicians and politics—that corruption is rampant, which is a view I don't share, but it's certainly one that one could imagine arriving at, given the innuendo in newspaper coverage of fundraising events and so on.

Mr. Randy Hillier: Although you don't share the view that it's rampant, you shared a view, or a conclusion, that there is something incorrect or wrong or unhealthy and it needs to be corrected.

Mr. Robert MacDermid: My analysis is that business people and wealthy people got wealthy because

they're very rational and intelligent, and they seldom throw their money away. So why people would give tens of thousands of dollars to a political party, just out of, what, a sudden fit of charity—it seems unlikely. Probably they have some interests that they would like to see happen. Of course, they do it with all parties, so it's not something that's a problem for one and not for another.

Can I just go back to the limit? You noticed that it might be difficult to enforce the global limit. Well, that's exactly what occurs at the municipal level, as you probably know. There's a \$5,000 level, and it's the giver who has to enforce that, not the individual candidate. The donor has to enforce the level. They have to keep track of their chequebook. They have to know that the rule is \$5,000. They can't give more than \$5,000. That's the same sort of thing we're talking about.

Mr. Randy Hillier: As the Chief Electoral Officer said, the more uniformity in our laws, the easier for people to understand, and the less problems and the greater understanding. I think that's a direction that we do need to move in, for simplicity and clarity as well as openness.

Mr. Robert MacDermid: Yes.

The Chair (Mr. Grant Crack): Thank you very much—appreciate it. We'll move to Ms. McMahon.

Ms. Eleanor McMahon: Thank you for coming. You are clearly very well-studied in this endeavour.

Mr. Robert MacDermid: Too long.

Ms. Eleanor McMahon: Your academic credentials are impeccable. I read your piece in the *Globe and Mail* with great interest.

Mr. Robert MacDermid: Oh, thank you.

Ms. Eleanor McMahon: It was helpful from the perspective of outlining some advice for all of us, I think. But in terms of this particular legislation, you've made some very helpful observations about the other provinces, of course: Quebec, Manitoba, Nova Scotia and Alberta. I think I've got those right.

Mr. Robert MacDermid: Yes.

Ms. Eleanor McMahon: Hence the other jurisdictions—the city of Toronto, as you've pointed out—all free now of corporate and union contributions. As I think you know, the proposal to strengthen the legislation that is before us now focuses on the kinds of things you've touched on: banning corporate and union donations, lower individual contribution, leaders, creating a transitional per-vote allowance—I want to come back to that in a moment—and regulating the activities of third parties and special-interest groups.

I wonder if you might, unless I missed it, touch on this idea of a per-vote allowance. You did make very good points, of course, about public financing, tax credits, and how that contributes to the democratic process. Those things are already in place, but I wondered if you could maybe touch on that whole idea—because we've heard from a few people about that, including the leader of the Green Party today. What are your thoughts on that?

Mr. Robert MacDermid: I do think there could be some per-vote allowance. The question is what the level

should be. You've set it at a fairly high level. As I said, one of the problems with per-vote allowances is that they are a record of what happened four years ago. They always benefit the incumbent party, because that is the winning party. You're the incumbent party; you won. I suppose people could say, "Well, you're doing what parties have done *ad infinitum*," and that is to write the rules to benefit yourself.

So I'm giving you a way out, thinking about how better to address that, because I also think Mr. Harper made the public allowance almost radioactive in his vilification of it at the federal level. I think citizens think it's a bad thing. I think there are better ways, actually, to force people to raise small amounts of money from many people. I think that should be the goal, again, to go back to the point that I mentioned: to democratize the system and to make it reinforce representation, and to require people to go and raise more money from individuals, so maybe an enhancement of the tax credit, maybe some other form that rewards the number of contributions so that we broaden the base. Why the Conservatives stayed in office federally for so long is because they inherited a huge fundraising base from the Reform Party and they multiplied that. It wasn't until Justin Trudeau came along and understood, or the Liberal Party understood, the need to broaden that base that they began to be able to compete with the Conservatives.

That, to me, is the goal. Oddly—I mean, I'm not a Conservative supporter at all, but that party did have a very broad funding base. Ultimately, that should be the goal, because it forces politicians to listen to people. You should welcome that, because you're representing people. So this reinforces what your job is.

Ms. Eleanor McMahon: That's a fair point. May I, Mr. Chair?

The Chair (Mr. Grant Crack): You have two more minutes.

Ms. Eleanor McMahon: Thank you. Quickly, just in terms of strengthening disclosure, I had a question for you about mechanics. You talked about the FEC and so on. I'm interested in George Clooney too, just for the record. Brad Pitt, not so much. But all kidding aside, where I go to with that is the mechanics of that, Professor MacDermid. How, in your view, would that work? If we were to implement some form of disclosure, how does that work? Because riding associations aren't always that sophisticated. Do you know what I mean?

Mr. Robert MacDermid: It's true. I've heard that before. I have been a riding association president in a very small community and I know that there's a lack of talent. But I also do know that the cloud out there is rather pervasive.

We all know how to use the Internet. In Toronto, at the municipal level, candidates have to file through an electronic filing system. They don't have to pre-file, but they have to ultimately file through that electronic filing system. They all manage to do it. Candidates all over the world in other countries do the same thing. I don't think it's that difficult. Maybe people would welcome—if you

can keep a spreadsheet, I suppose you can upload it to Elections Ontario. I'm assuming that you can do that.

I just don't think it's that difficult for people, and I think maybe they actually might welcome that, because a system could be designed so that people in a remote constituency could just get on the Internet, type in the contributions and, bang, off it would go. They wouldn't have to worry about the format and everything. It could be quite easily done. It could be done as it comes in during a campaign, so that if cheques come in, they are immediately reported, within a week or 10 days or something, and people can see it. I honestly believe that people can do that without—maybe I'll be proven wrong, though. In your experience, is it?

Ms. Eleanor McMahon: Does the FEC administer it in the United States? What's their role in terms of the disclosure piece? How does that work?

Mr. Robert MacDermid: They are the equivalent of Elections Ontario.

Ms. Eleanor McMahon: I see, yes.

Mr. Robert MacDermid: So they are the regulating body. They would be the recipient of all that information that's passed on by both political action committees and by candidates and parties running for office.

Ms. Eleanor McMahon: Helpful.

Mr. Robert MacDermid: And every contribution is accompanied by a receipt, which is also graphically displayed in the FEC website. I urge you to go that website, see how long it takes you to find George Clooney's contributions and then compare what we have.

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Ms. Eleanor McMahon: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate it. I appreciate you coming before committee this evening, Mr. MacDermid. We wish you a wonderful evening.

Mr. Robert MacDermid: Thank you.

Mr. Mike Colle: Would we be able to find Sheldon Adelson's contribution on that same site?

Mr. Robert MacDermid: The former York president?

Mr. Mike Colle: No, the Las Vegas—

Mr. Robert MacDermid: Oh, yes, I'm sure you could.

Mr. Mike Colle: And the Koch brothers?

The Chair (Mr. Grant Crack): Thank you very much.

AURORA STRATEGY GROUP

The Chair (Mr. Grant Crack): It gives me great pleasure to introduce our last delegation this evening. From the Aurora Strategy Group, we have Mr. Marcel Wieder, president and chief advocate. Welcome, sir. How are you tonight?

Mr. Marcel Wieder: Thank you, Mr. Chairman. I'm well. Thank you for the opportunity to be here.

The Chair (Mr. Grant Crack): Very good. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning. You're free to begin, sir.

Interjections.

The Chair (Mr. Grant Crack): I think they're trying to get on the list to be able to question later.

Mr. Marcel Wieder: I'm so popular.

The Chair (Mr. Grant Crack): Very good. Go ahead, sir.

Mr. Marcel Wieder: Good evening, Mr. Chairman, and members of the committee. Thank you for the opportunity to share some thoughts with you on the important issue of campaign finance reform.

By way of background: Some of you may be familiar with me through staff notes or a Google search, but I'll provide you with a bit more insight. I have been involved in political campaigns for more than 40 years. My first campaign was for Mitchell Sharp in the federal election of 1974. Since then, I have worked in federal, provincial and municipal elections across Ontario and in other parts of the country.

Professionally, I have worked for candidates, political parties and advocacy groups since 1993 and have been involved in more than 100 election campaigns. I have also worked on two of Canada's largest independent expenditure campaigns, Working Families and Albertans for Change, where I served as the lead consultant for both groups.

I have also had the privilege of serving on the board of the American Association of Political Consultants and on the faculty of Campaigns and Elections magazine. In addition, I have regularly guest lectured at George Washington University's Graduate School of Political Management.

Over the years, I have been recognized by my peers with numerous awards and accolades, including best international campaign by Campaigns and Elections magazine; several Pollie awards by the American Association of Political Consultants; Davey, Telly and Summit awards; and, most recently, several Goldie awards, including being selected as an all-star for "significant professional contributions ... towards achieving noteworthy success in the political and public affairs fields."

In addition to the above, I have a degree in political science from the University of Toronto and post-graduate work at Humber College in marketing. All that is to say I have dedicated my life to political involvement.

Turning to the matter at hand: In the current brouhaha over campaign finance reforms in Ontario, politicians are tripping over themselves to show who is tougher on this issue. Yet, in all their zeal, there is one real casualty: democracy.

By tightening up the rules and severely restricting outside participation in the electoral process, politicians and political parties are creating a closed club. It is time to remind those in power that elections belong to the people and not them. Elections are an opportunity to hear many different voices and views. It is where debate over the direction of a city, province or country takes place.

Allowing the established political parties to have a monopoly on the political discourse of the province is unhealthy for democracy. Political parties should not have the exclusive right to participate in elections. Any Ontarian should be encouraged to stand up and share their point of view, whether as a candidate, an engaged voter or part of a group.

Democracy is strengthened when more people feel a part of the process; however, not everyone fits into one of the established political party frameworks. Some may find that their voice is not represented and therefore disengage. This leads to lower voter turnout.

A disturbing trend that has continued over the past decades is the decline of active members in political parties. While the number rises during election periods, when aspiring candidates sign up new members in hopes of securing a coveted nomination, the overall trend has been downwards. In fact, the federal wing of the Liberal Party just recently voted to eliminate membership and has instead focused on rebranding itself as a political movement. More Canadians prefer to engage politically through movements, whether they are social, environmental, labour or numerous other ones. They see it as more rewarding than through the traditional political parties.

Restricting political engagement is what the Stephen Harper government did when they introduced additional campaign reforms designed to limit independent expenditure campaigns. When he ran the National Citizens Coalition, he was all in favour, and fought in court to preserve this right. But once in office, he saw them as a threat to his re-election efforts and effectively limited them.

Notwithstanding this, citizen engagement in the political process has improved through independent expenditure campaigns. In the last federal election there were 112 registered groups, more than double the number from 2011. Despite strict rules, groups like Friends of Canadian Broadcasting, Canadians for Safe Technology, Dairy Farmers of Canada and Let's Build Canada brought their own perspective to the election. These groups added to the healthy debate during the campaign. One wonders how many more groups would have participated in the election if they didn't face daunting restrictions.

Now Ontario and other jurisdictions are looking to silence these voices with draconian rules that will effectively restrict their future participation. In each year since Ontario began keeping tabs on independent expenditure campaigns, the number of groups has increased. In Canada, third-party campaigns laid the foundation for political change. One wonders how the women's movement would fare in this environment. Under restrictive independent-expenditure campaign rules, issues such as equal rights, daycare and the right to choose would face severe limitations during elections. Is an election not the right place to discuss these important and relevant issues? Our democracy would suffer if the established political parties decided to ignore these issues and only focus on the issues they wanted to talk about.

Internationally, independent grassroots movements have morphed into political parties. This has happened in Poland with the Solidarity movement, in Ukraine with the Orange Revolution, and, more recently, with the Arab Spring. They organized citizens, printed flyers and posters, took to the airwaves and, most likely, would have broken the independent expenditure restrictions being proposed in Ontario.

No one is saying that there shouldn't be reasonable rules around independent expenditure campaigns in elections. Allowing governments to restrict political involvement through established parties is akin to restricting access to a private club. It shouldn't be that way.

Canadians have become cynical about politics and politicians because they see it as a private club that has little to do with them. Introducing legislation that further restricts and penalizes their participation only contributes to that view. Instead, Parliament, Legislatures and city councils should encourage political engagement and participation. There are many ways to foster involvement, but limiting access during an election is absolutely the wrong prescription for what ails our democracy.

Politicians and political parties may want us to believe that their issues are the only ones that should be debated and discussed. That may work in totalitarian regimes and Third World banana republics, but not here in Ontario. Everyone has the right to be heard, whether individually or collectively.

Due to the limited time available, I have not been able to comment on other areas of the bill but would be happy to discuss it in the question-and-answer portion.

Mr. Chairman, thank you for the opportunity to address the committee.

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The Chair (Mr. Grant Crack): Thank you, Mr. Wieder, for actually presenting within the time frame. It's much appreciated.

I'm going to be fair and I'm going to start with Mr. Hillier, even though he was the last one. You're going to have five minutes, followed by five minutes and then five minutes.

Mr. Randy Hillier: Thanks for being here, Mr. Wieder. I do find it interesting that you liken yourself and your activities to the Arab Spring and the Orange Revolution, where those local people rose up and threw out a tyrannical, oppressive form of government. I look at your history. Your company, Aurora Strategy, has been a significant contributor to only the Liberal Party in Ontario and has received substantial contracts from only the Liberal Party in Ontario. To suggest that your work is akin to the Orange Revolution—it appears to me that your endeavours and your actions have been to support the government, not to overthrow the government. I think your metaphor may be somewhat wrong.

Mr. Marcel Wieder: Mr. Hillier, can I—

Mr. Randy Hillier: You mentioned that you've been recognized with many accolades and whatnot. I do recall that there was a column in the Globe and Mail a number of years ago—I think the headline was "The Dirty-Tricks

Man”—that was a commentary on Mr. Marcel Wieder. So yes, your activities are well known and highly spoken of in many quarters around the globe. So I thank you for all your efforts and interests in trying to overthrow oppressive regimes, but I don't think it applies here in your activities.

Mr. Wieder, as I've mentioned, your firm has only contributed to the Liberal Party and your firm has received substantial contracts from the Liberal Party. None of that is unlawful, but we also know, and it has been heard at this committee tonight and by others, of the perception that people who contribute to political parties and whatnot are not doing it out of sense of altruism but that there is an expectation of something.

It's clear you've gained some returns from your investment. Is that correct?

Mr. Marcel Wieder: So Mr. Hillier—if I may respond, through you, Mr. Chair—unfortunately, your research is flawed. In fact, I do recall seeing you at Mr. Yakubuski's fundraiser at the Albany Club a few weeks ago.

Interjections.

Mr. Randy Hillier: No, you didn't.

The Chair (Mr. Grant Crack): Order.

Mr. Marcel Wieder: Our firm has contributed to all three parties. We were at the NDP leader's reception, and we do contribute to the Liberal Party.

Mr. Randy Hillier: Maybe the real-time disclosure is not quite up to date.

Interjections.

The Chair (Mr. Grant Crack): Order. Mr. Wieder has the floor.

Mr. Mike Colle: I think we need to get Mr. Hillier a better researcher—

The Chair (Mr. Grant Crack): Mr. Colle.

Mr. Randy Hillier: If I'm mistaken—maybe I should say “substantially,” according to my data up to 2015.

Mr. Marcel Wieder: I can tell you that we get invitations, and when we're invited we tend to go, so if you'd care to invite me to one of your fundraisers I'd be happy to consider that.

As far as the work that I have done through one of our sister companies, which is what you're referring to, we make no apologies. We followed the proper rules. We are a very specialized firm that does political communications. There are very few companies or individuals that have that expertise. That expertise has been used in the past.

I can say that since the last election we've done no work for this government at any time. The record is clear. The record is available to be—

Mr. Randy Hillier: David Herle is getting the work now, from what I understand.

The Chair (Mr. Grant Crack): Thank you very much. We'll move to Ms. Fife.

Ms. Catherine Fife: Thank you, Marcel, for being here today.

I will take exception, though, to your description that this committee is responding to a campaign brouhaha, as

you described. I'm not here to deal with a campaign brouhaha; I'm here to represent the interests of the people of this province and, as the electoral officer has said, put the elector at the centre and try, in the province of Ontario, to level the playing field. I just want to make that clear.

We do have to remember why this did start, though, and it was more than a brouhaha. It was a very serious issue, I think, in that—

Interjection.

Ms. Catherine Fife: —be quiet—the revelation that cabinet ministers had quotas to raise is a very serious accusation. I hope that you would agree with that, because what we've been exploring here thus far is, what is the role that money has in politics? Who has access to politicians and parties, and how does that money influence public policy? So those are very interesting and very serious issues.

Now, the rest of your comments, I fully concur with, because the issue that we have and that we have raised concerns about in the House and in Hansard is the role that citizens' voices have in establishing and influencing that policy, be it criticizing or supporting the government. So the six-month window around citizens, advocacy and policy advocates having the ability to weigh in on the direction of government, if you will, or legislation or leaked cap-and-trade policies—we feel that the voices of those citizens will be compromised by Bill 201. I would like for you specifically to speak about those voices and their rights as citizens to weigh in on public policy.

Mr. Marcel Wieder: Thank you to the member. I agree with some of the statements that you've said with respect to that six-month window. For example, if we were to look at the current situation today, if you were to back up six months from the June election, we'd be in December, and in the period between December and June, there's a budget. A government can present a budget in which there may be things that Ontarians disagree with. If they were to voice their opposition during that period, they would be captured under this bill.

So people who are protesting about not having enough money for autism or for women's reproductive rights or anything else that is affected by that budget would be captured, because they could be considered political issues. The political issue determinant lies, from what I understand from the legislation, with the Chief Electoral Officer, who will decide whether in fact that is a political issue or a non-political issue.

Ms. Catherine Fife: Thank you for raising that, because the Chief Electoral Officer has asked for clarity around that. He has said that, in other words, it not apply to the six months preceding the call of a scheduled general election, so you concur with the Chief Electoral Officer.

Mr. Marcel Wieder: I do concur.

Ms. Catherine Fife: How much time do I have?

The Chair (Mr. Grant Crack): About a minute and half.

Ms. Catherine Fife: How do you find the current practice of this government around government advertising? Because the Auditor General, just this last weekend, revealed that she would have ruled the latest climate change commercial to be too partisan. She would have shut that down, if the government had not changed the Government Advertising Act of June 2015. There are unfettered, carte blanche—no limits whatsoever to what the government can advertise. How do you see that in relation to the electoral level of the playing field?

Mr. Marcel Wieder: Mr. Chair, to the member: Regrettably, I've not viewed that particular commercial, so I can't comment on the content of that in terms of how it impacts whether it would fall into what the Auditor General says in terms of partisan. I do believe that there is a need for governments to communicate issues to the public and that that right should be maintained.

Ms. Catherine Fife: Do you think that the government should play by the same rules as the citizens of the province?

Mr. Marcel Wieder: Based on the legislation that is being presented in Bill 201, if you're talking about a truly level playing field, then those restrictions should apply to a government as well as to third parties.

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Ms. Catherine Fife: Okay. The auditor did say, though, that this latest commercial was about promoting a positive image of the government—basically self-promotional. So you would find that the government should not be allowed to do that?

Mr. Marcel Wieder: If Bill 201 is allowed to pass, then those same restrictions that apply to third parties should therefore apply to the government as well.

Ms. Catherine Fife: Thank you very much.

The Chair (Mr. Grant Crack): Thank you. Mrs. Lalonde.

Mrs. Marie-France Lalonde: We're not going to waste time.

Thank you very much for being here and for sharing your comments with us tonight. The Ontario government, as you know, is undertaking a collaborative, credible and, I would say, a very transparent process. I think it's long overdue to many, many Ontarians. I'm interested to know: In your April 2016 column in the Toronto Star, you talked about the need for greater transparency in political donations, specifically real-time reporting. Can you please discuss the benefits of stronger real-time reporting requirements?

Mr. Marcel Wieder: As Professor MacDermid pointed out, if you look at the FEC in the US, which has a real-time reporting requirement, this would allow citizens to be able to search out and find who is donating to which campaigns, and be able to then know what impact those donations are having.

Ms. Eleanor McMahon: Thank you for coming here today.

Mr. Marcel Wieder: Thank you for having me.

Ms. Eleanor McMahon: It's very interesting. I'm a big Mitchell fan. I worked for Prime Minister Chrétien

and I love that Mitchell gave his time to us for a dollar a year.

Mr. Marcel Wieder: Yes, I know it.

Ms. Eleanor McMahon: Very generous. Talk to me a minute—you have considerable federal experience. When we look at our efforts to reform third-party election finances, it's based largely on existing federal rules, as you know, which set a spending limit of just over \$200,000 across the country for third-party advertising. Given that federal elections are about a week longer than ours, can you explain how these federal rules might translate into the Ontario context and how various stakeholders could operate in that system—how that might work?

Mr. Marcel Wieder: Mr. Chair, to the member: Thank you for asking me about that, but I have to recuse myself. I'm not an expert on the federal area.

Ms. Eleanor McMahon: Oh, I'm sorry. I thought that was your area of expertise—

Mr. Marcel Wieder: No, no. I've done work on the federal campaigns, but I'm not an expert, and so my comments would only be educated guesses as to how they would—

Ms. Eleanor McMahon: Okay. Can I have 30 seconds?

The Chair (Mr. Grant Crack): No, you have two minutes, but Mr. Colle would also like to speak.

Ms. Eleanor McMahon: Okay, I will defer to my colleague, then. Mr. Colle, go ahead.

Mr. Mike Colle: Thank you, Mr. Wieder. I want to ask you a context question here. I know we've been down at the campaign election extravaganzas in Washington, DC over the years. I was a bit flabbergasted by Professor MacDermid. I have a lot of respect for him, but he was basically holding up the American model for us to follow in terms of campaign financing.

You have a lot of experience in US politics. I know you're professionally connected with a lot of campaign manager types all over the United States. What do you think we could learn, or should not do, that the Americans are doing right now in terms of campaign financing?

Mr. Marcel Wieder: Unlike the US model—they do not grant any tax credit or any tax relief to a donor of a political party. It's a very different than the Canadian context. In Canada, both at the federal, provincial and in some municipal campaigns, there are tax credits or rebates that are issued. In the US, they don't do that. Pretty well any candidate can raise whatever amount they wish, so there's no limit on the amount of money raised by a candidate and there's no limit on spending during a campaign. So those are in sharp contrast to the rules that we operate under. The two are very different.

The other thing is that it's a cultural issue as well. In the US, they've developed a strong culture of encouraging donations and participation in the political process. In Canada, we have not developed that political culture of encouraging ongoing efforts to create movements such as what you're seeing with Bernie Sanders and, to some degree—I know you know where I'm going—with Mr. Trump.

Mr. Randy Hillier: It's hard to use that word, eh?

Mr. Marcel Wieder: I know. It's hard for me.

But that whole culture has been ingrained in the US body politic over the years. We have not developed that type of cultural system here in Ontario or in Canada. We've relied, however, on subsidies at the federal level, which have been reintroduced under the current government. We have subsidies in Ontario, through Elections Ontario, for the campaigns. Now, in this bill that's being proposed, there will be additional funds made available to the political parties. We have two very different types of systems.

Mr. Mike Colle: Plus the congressional elections. They're campaigning—

The Chair (Mr. Grant Crack): Thank you very much. Thank you, Mr. Colle—

Mr. Marcel Wieder: If I could just respond to Mr. Colle's last comment—

The Chair (Mr. Grant Crack): Quickly.

Mr. Marcel Wieder: My concern with this bill—and I'd be happy to come back to the committee—is that Bill 201 will force each of you, as elected members, to spend far more time chasing far fewer dollars, and you will have to dedicate a significant amount of your personal time to raising the monies necessary to mount a credible campaign. I don't think any of you would want to invest further time than you already do on fundraising.

The Chair (Mr. Grant Crack): Thank you very much—

Interjection.

The Chair (Mr. Grant Crack): Do you have a point of order?

Mr. Randy Hillier: Point of order, Chair. I just wanted to—

The Chair (Mr. Grant Crack): I hope it's a point of order.

Mr. Randy Hillier: It is a point of order. The word that was having trouble being said was "Trump," I believe.

Mr. Marcel Wieder: Yes.

Mr. Randy Hillier: I don't want that not to get in on the record.

The Chair (Mr. Grant Crack): Okay. Well, thank you very much, Mr. Wieder, for coming before committee this evening. Your comments are much appreciated. We wish you a wonderful evening.

Mr. Marcel Wieder: Thank you.

The Chair (Mr. Grant Crack): I'd like to remind members of the committee that we will be meeting tomorrow at 4 p.m. regarding the subcommittee report, which will obviously deal with our travel schedule and format for the summer.

I want to wish everyone a good night. I thank you for all of your input. This meeting is adjourned.

The committee adjourned at 2037.

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