

A SUBMISION
to
THE ROYAL COMMISSION ON
ELECTORAL REFORM AND PARTY FINANCING

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INTRODUCTION

We would like to thank the Commission for providing us this opportunity to express our concerns about the Canadian electoral and party financing system. The consultative process preceding legislative change is an important one and we congratulate the government for providing this commission with its extensive mandate and the committee for doing an effective job at publicizing its mandate and role.

We are here representing the members of the Reformed Christian Business and Professional Organization of Southern Ontario. We are an organization of independent businesspersons, senior executives, and professionals throughout Ontario. Our focus as an organization is to foster high professional and ethical standards among our membership but also to speak out with a united voice on issues of concern as they affect us in our business lives.

We have sought opportunity to make representation to you because as a business organization dedicated to the fostering of high ethical standards among our membership in accordance with our religious principles, we have concerns about the relationship between business and government which is created by the current structure. The mandate of your commission includes the matter of the financing of political parties and since we perceive this to be the major instrument used by business to improperly influence the political process, we feel obliged to make our observations and recommendations to you. Since this is the extent of our mandate as an organization as it involves electoral reform and party financing, we will focus our comments on this issue.

“AN IMPROPER ALLIANCE”

As you are well aware, there is a popular perception that business and government generally participate in a “you scratch my back, I scratch yours” arrangement. While some may argue that this perception is a misconception advanced by partisan interests and general cynicism, we regretfully cannot accept that. We believe that the astute political observer will agree that the arrangement with government and business is not as open as it should be. Not only is this an ethical problem, but it also results in popular cynicism and a general mistrust of the entire public process.

You have already heard various submissions which have made these arguments and they have done so effectively. I will refer only to the presentation made to you on March 12 by Francois Gerin, Member of Parliament for Megantic-Compton-Stanstead, where in outlining the problem of business expecting return on their political contribution, he said:

“One really has to bury one’s head in the sand not to see the real reason for these purportedly disinterested contributions. And what about the big fundraisers? It is all smoke and mirrors. Good contacts in the business world often provide an entree’ into top circles which, in turn, increase contacts in the business world which, in turn, provide access to the Holy of Holies in order to seek...”

Under the current system, our main protection against the favouring of a particular business for partisan purposes lies in three areas of legislation: criminal legislation governing the exercise of public office; rules regarding open and fair tendering processes for government contracts; and the constraints on business placed by the Canada Elections Act and the new Lobbyist registration Act. While we are convinced that most of the preferences afforded businesses and business interests are not of a nature to be considered criminal (and in the case of those that are, adequate systems are in place to properly deal with them), our concern is those decisions made, usually subjective on the part of politicians, in which particular business interests are given preferential treatment based on the political contributions which they have made or promise to make.

There are two sorts of advantage which business is seeking from government: public policy initiatives which might be described as “pro-business” or preferential treatment in the awarding of government contracts. Since ultimately all of these decisions are subjective ones made by an elected politician, the favourable impressions of a business or business community, most visibly demonstrated by election contributions, certainly do play a role in the making of these decisions.

PROBLEMS IN THE CURRENT STRUCTURE

In dealing with this problem, several basic principles guide our thinking. First, while it is not possible to legislate for every possibility, there needs to be checks and balances within our system to check the natural abuses of power which man in his fallen nature is prone to. Second, democracy functions around the principle of the individual's making political decisions and so we must be cautious in considering the role of collective organizations. Third, the same freedom on which individual voting is based also allow those individuals freedom of association and freedom of speech and therefore, any limits to the speech of any association must be avoided.

It is helpful to review the current situation in light of these principles to highlight some of the weaknesses and inadequacies it contains. The current circumstances allow that all donations greater than \$100.00 must be made public through the appropriate forms supplied by the Electoral Officer. There are substantial tax benefits for donations up to \$1,150.00 (\$500.00) although there is no limit to the amount which one may contribute to a political party or candidate. The result, as we all know, is that political parties are collecting annual contributions well in excess of \$1,150.00 per year from various large corporations and that these large contributions constitute over fifty percent of their budgets. Since there is no tax benefits for these contributions, we must ask what is it that motivates such contributions if it is not the expectation of favourable consideration in the making of subjective decisions by political officials?

The second area of weakness was brought to light during the 1988-election campaign in which interest groups on both sides of the free trade issue purchased considerable advertising space. The limits on political party spending were effectively undone by third party advertising. This raises various questions about the role of third party advertising and the potential for abuse – especially in a future hypothetical issue where one side has a much greater and more obvious advantage than the other to the media and advertising. What would occur if a hypothetical issue might arise between a well-financed group like developers against a group on society's "fringes", like the homeless? Whereas in the free trade advertising, both sides of the question achieved relatively equal prominence, in such a debate that equality would be skewed. What safeguards exist in the system to prevent injustices of this sort from occurring?

RECOMMENDATIONS

As we consider these and similar questions from our perspective as business and professional people committed personally and organisationally to making a Christian witness, we must admit that these questions offer no easy solutions. The recommendations which follow, however, are an improvement over the current system and they seek to balance the cherished democratic rights of free speech and free association while safeguarding exploitation and manipulation.

1. THAT A LIMIT BE PLACED ON CONTRIBUTIONS FROM ANY SOURCE AT \$1,150.00 TO KEEP THE AMOUNT WITHIN REASONABLE REACH OF MOST WHO HAVE CONCERNS ON A MATTER. THIS WOULD PREVENT ANY CANDIDATE OR PARTY FROM BECOMING TOO GREATLY ALIGNED WITH ANY PARTICULAR INTEREST FOR POLITICAL CONTRIBUTION REASONS.

The effects of this sort of limitation are obvious. It would continue to allow for freedom of speech and association so that all interests can be represented in the process, yet it places a reasonable limit on this representation to prevent abuse. The limit of \$1,150.00 is fair in that it allows a meaningful contribution from any one source considering the overall limits on campaign spending and yet it is not substantial enough to become undue influence on a politician's decision-making practices.

2. THAT A LIMIT BE PLACED ON THIRD PARTY ADVERTISING SIMILAR TO THE LIMIT PLACED ON POLITICAL PARTY ADVERTISING. THIS WOULD GIVE ALL INTEREST GROUPS EQUAL ACCESS TO PUBLIC OPINION. CONSIDERATION MIGHT BE GIVEN TO ALLOWING THIRD-PARTY ADVERTISING DURING THE BALCK OUT PERIOD FOR POLITICAL ADVERTISING SO THAT:
 - (A) THE PUBLIC, THROUGH THE VARIOUS INTEREST GROUPS, MIGHT HAVE A GREATER HAND IN SETTING THE POLITICAL AGENDA;AND
 - (B) THE POLITICIANS WILL BE FORCED TO RESPOND TO PUBLICLY RAISED ISSUES.

It is important that individuals, organizations, and businesses directly affected by or having a particular interest in, a political issue be provided a fair opportunity to make their views known. An informed voting public deserves to hear all sides of an issue and that includes the side of a minority group adversely affected or a business who has concerns. The cornerstone of any democratic system is freedom of speech and we must be vigilant in safeguarding this right. This recommendation will assist in moving public discussion and consideration towards the real issues in an election campaign and all groups can equally participate in raising issues about which they are concerned. A major weakness of our current system is the opportunity for "bankroll propaganda" which occurred on either side of the free trade debate in 1988. In this sort of debate, the "little guy" cannot compete and is not heard. This is not in accordance with our understanding of fairness and justice.

- 3 THAT ALL THIRD PARTY ADVERTISING CLEARLY INDICATE THE PURPOSE OF THE ORGANIZATION SPONSORING THE ADVERTISEMENT AND THE INVOLVEMENT WHICH THEY HAVE IN THE ISSUE AT HAND.

The reasons for this are quite self-evident. We ask our political figures to declare their conflict of interest on matters which personally affect them or their families. It only seems fair that the public should also be told about the conflict of interest that an organization has which prompts them to sponsor an advertisement on a particular issue.

4. THAT VOTING BE HELD ON A DAY WHICH WILL NOT ADVERSELY AFFECT THE RELIGIOUS PRACTICES OF ANY GROUP IN SOCIETY.

This recommendation is provoked by a well-publicised remark by the chairman of this commission who recommend that Sunday be considered a suitable day for voting. As a business organization, we have been very active fighting open Sunday shopping as a protection of religious freedom for our members who believe Sunday is a day set apart by God for his worship. While we will not repeat the many arguments which we have made to various provincial and municipal bodies on this issue, we wish to register here our disapproval of any changing of the voting day which would adversely affect the religious practices of any religious group. This would include not voting on either Friday, Saturday, or Sunday, or on religious holidays, as these are holy days for various segments of our society. We are confident that the commission shares our respect for the freedom of religion and will not make any recommendation which might adversely affect the exercise of this freedom.

CONCLUSION

We make these recommendations believing them to be fair improvement on the ability of all those with an interest in public policy, including our organization, to have the opportunity to make themselves heard. While neither perfect nor foolproof, these recommendations reflect positive attempts to balance the right to free speech and freedom of association with the rights of individuals in society to make informed decisions in exercising their democratic rights.

On behalf of the Reformed Christian Business and Professional Organization of Southern Ontario, we thank you for the opportunity to appear and trust that our comments are helpful to the process. We look forward to your report and pray that it may be influential in making the system fairer and more just for all.