

# BEYOND ELECTORAL BOUNDARIES REGULATING THE POLITICAL DEBATE



## Freedom Party of Ontario Submission to the

### Standing Committee on General Government Bill 201, Election Finances Statute Law Amendment Act, 2016

by Robert Metz, Founder, President, Chief Financial Officer - Freedom Party of Ontario  
Wednesday, July 27, 2016

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#### Introduction:

Mr. Chairman, Members of the Committee:

Thank you for this opportunity to officially address Bill 201, which of course, directly affects the Freedom Party of Ontario as an officially registered political party, but also affects all voters and taxpayers in the province in a dangerously negative way that few seem to be aware of.

At the bottom of my copy of Bill 201, there is a section titled 'EXPLANATORY NOTE', which is far less an 'explanation' or rationale for Bill 201's key provisions, than it is a summary of the bill's provisions.

It is particularly noteworthy, given our presentation here today, that this eight-point summary of Bill 201 (which conveniently does not list the proposed end to corporate and union contributions) happens to have isolated the eight most objectionable and highly undemocratic provisions of Bill 201.

Freedom Party strongly objects to all eight proposals - even though most of them would not directly affect Freedom Party.

However, in this limited verbal portion of our submission, I shall only cite the concerns that do most affect Freedom Party - and the voters and taxpayers of Ontario.

There are two: (1) "Contribution limits for individuals are reduced," and (3) "Quarterly allowances are made payable to registered parties." I shall begin with the second point first.

#### Quarterly allowances

The very notion of political parties awarding themselves 'quarterly allowances' is offensive in the extreme. As I understand it, among the purported reasons for granting political parties a per-vote subsidy is to make-up for the

short fall suffered as a result of eliminating corporate and union contributions and imposing lower limits on contributions by individuals. This suggests an implicit, if not explicit, acknowledgement that the consequences of Bill 201 will cause harm to Ontario's officially-registered political parties. And this is in fact so, whether acknowledged or not.

However, not all parties would get the per vote subsidy to replace the revenues they lose as a result of the new limits, because of the voter thresholds a party must reach to qualify for taxpayer subsidy. Calling that taxpayer funded subsidy an 'allowance' merely adds insult to injury.

According to Sec 32.1 of Bill 201, the subsidies will be calculated on a decreasing scale of 56.5 cents per vote per quarter in 2017, eventually down to a permanent subsidy of 42.5 cents from 2021 onward, of course multiplied by an 'indexation factor' that will undoubtedly make the subsidy higher.

Assuming that most of Bill 201's proposals will be adopted, Freedom Party officially proposes that, at the very least, any party not getting a subsidy should not be subject to the new, lower individual contribution limits. To do otherwise is patently unjust and glaringly tilts the electoral tables in the favour of the parties receiving subsidies - and against those who do not.

Moreover, what does it otherwise say about the three Goliaths who would restrict the 100% voluntary financing of the smaller parties, while awarding themselves taxpayer-funded subsidies?

In addressing the essential democratic principle involved, it must be stated that no political party - and that includes Freedom Party - should ever receive taxpayer funding - either as a 'reimbursement' of their expenses (as they have done for many years), nor as a 'reward' for getting votes.

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Under Bill 201, even our votes themselves now come at a price - and it is not merely the monetary amount self-awarded to the victors at the expense of the taxpayer.

It comes in the form of corrupting the democratic process itself - that ongoing and eternal conflict and debate between very differing personal points of view. The expanded corruption comes in the form of using forcibly raised taxpayer dollars given to political parties who in turn would use those dollars - as political parties - to solicit, influence, persuade, and even bribe those voters.

The freedom to associate through the political party process entitles no party to taxpayer-paid privileges - allowances - subsidies. This is unthinkable if any semblance of free political discourse is to be preserved in this province.

It must be emphasized that voters are a completely different and much smaller group than is that group we call taxpayers. Even among registered voters, rarely does a majority vote. Many Ontario taxpayers who may be landed immigrants, who may not have citizenship, who may not have reached voting age, or who may be corporations both domestic and foreign - do not vote - yet are among those who must be forced to pay a fee to the political parties as a consequence of the much fewer numbers who do vote.

Many vote for a party as the 'lesser of a given number of evils.' Granting the 'lesser evil' political party they vote for a taxpayer subsidy because of their vote, is unjust and unethical. Voting is a right; it is not a privilege intended for private political parties to gain benefits at the expense of taxpayers.

In effect, under Bill 201, both voters and non-voters become conscripted 'members' and 'supporters' of the parties receiving a subsidy in direct proportion to their percentage of the vote. This is simply politically, philosophically, economically, and morally unacceptable. Should this provision go ahead, it will certainly be among the planks Freedom Party next presents to the voters in Ontario.

### Reduced Contribution limits for individuals

Forget about reducing individual contribution limits. Eliminate personal contribution limits entirely.

In a free democracy, there should be no limits on how much any individual or group may raise for its long-term plans and eventual success at the polls. The dynamics of this essential process is extremely complex and does not convey the freedom of action necessary for free citizens to take political action without first clearing it with the same government with whom they may have a dispute.

That freedom includes what they do with their own money.

Elections are already regulated, controlled, and limited with regard to campaign spending, so the income or assets of any participant in that election is irrelevant. What is relevant is what that candidate or party is offering voters. Period.

Under those already pre-existing electoral limits and rules being in place, for what possible reasons can one justify placing limits on how much a political party - a private association of like-minded individuals - should be allowed to raise or spend on political activity outside any specific electoral period and campaign? No matter how much a party or candidate may raise, one can never be allowed to go beyond the pre-established spending limits of the election. Concerns about party revenues are petty and irrelevant in the extreme.

Under the current system of Ontario Political Tax Credits, the maximum refund any individual may receive in a given fiscal year or campaign period is \$1330.00 - provided he/she contributes \$3,026 or more in the given period, representing a net cost to the contributor of \$1696 plus every dollar contributed in excess of the \$3026 amount.

Currently, Ontario political tax credits work like a progressive income tax in reverse, with the highest tax credits being awarded to the lowest dollar contributors at a rate of 75%. These rates decrease to 50% and then to 33.3% and then to 0% by the time a donor's contribution reaches the \$3026 contribution level. Even with the full tax credit, should the donor be able to claim it, the contribution to the political party results in a \$1696 expense to the contributor; in no way do voluntary contributions to political parties represent any kind of net gain to a contributor, nor can their refund exceed the amount of their own personal provincial income taxes paid or payable.

Consider that the proposed greatly-reduced limits on individual contributions restricts the higher portion of an individual's current contribution limit that does not in any way qualify for any tax credits or refunds. What purpose can be served by this? Unlike a government subsidy, allowance, or even to a milder extent an individual's tax refund, no other taxpayer or citizen is affected in any fiscal way by these voluntary donations which affect nothing in the public arena.

It is ironic that the democratic rhetoric of our time is one of encouraging people to participate in the political process, to get out and vote, to make a difference. That's the last thing any incumbent government wants. Further limiting voluntary contributions from individuals, is simply one more piece to add to the pile of evidence in that regard.

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Large dollar donors are a necessity for every political party, particularly the smaller ones. I have often been approached by a number of our members and supporters who are themselves not able to donate large contribution amounts to the party. Even though they would like to, they simply cannot afford to. Lower income people, although they may qualify for a tax credit, may not be able to claim a tax credit because of their lower income: they paid no provincial income tax against which to claim their credit. I can assure you that they quite openly encourage us to seek larger dollar single contributors to help finance our mutual objectives. One of the basic functions of a political party is to bring together people of differing financial backgrounds so that they may pool their resources towards a common cause and objective.

Under Bill 201, this avenue is all but closed to them.

Limiting private spending on political activity is a direct attack on democracy itself, on freedom of association, on freedom of thought and expression, and on freedom of political advocacy and action. It is an attack on the personal.

Individuals who voluntarily contribute their own dollars to help create an electoral choice for voters, should never be hindered or hampered in that regard, they should be thought of as the heroes and champions of democracy. Bill 201 insults them.

I would remind this committee that the concept of democracy and free elections - means being free from government intervention and interference in the exercise of our fundamental democratic rights - the rights of individuals, which is the only relevant political unit in a free democracy - particularly by the parties and candidates for whom they are expected to vote!

This brings me to a most frightening observation. Bill 201 effectively ends the era of having rules limited to holding elections. It begins a new era of government rules, regulations and restrictions for personal political activity. It is Orwellian in the extreme.

## From Electoral Regulation to Political Regulation

As already demonstrated by the consistent direction of its new proposals, Bill 201 broadens the jurisdiction of the government. Instead of establishing objective rules for holding elections, it will now regulate the field of ideas, and the expression of those ideas in the political marketplace - and politics itself, which is an entire separate activity from electoral activity.

Voting is a public undertaking. But like religion, Politics is Personal. As if to place a tiny exclamation point on that reality, Bill 201 explicitly specifies that Subsection 37.5 (5) of the Act is amended by striking out "third party

election advertising" and substituting "third party political advertising," which stretches the mandate of Elections Ontario far beyond that of elections themselves. One can only imagine the ensuing debate that will arise about what constitutes 'political'. Additionally, as per sec 2.1 and 2.2, Bill 201 also regulates the internal affairs of political parties by requiring an extra accounting of spending and funds raised related to internal party leadership contests, etc.

This is beyond chilling.

The government is overstepping its boundaries. It is moving beyond electoral boundaries in the sense of establishing rules for specific electoral campaigns - and is now proposing to more directly regulate political debate itself, outside of the electoral process, under the pretense that it is merely regulating funding that unduly influences the legislators.

There is an assumed corruption hidden behind efforts geared towards 'political financing reform,' - whether such corruption exists or not. With each supposed reform, the public gets taken for another expensive ride, such as the Bill 201's proposal that taxpayers now must now be forced to finance political parties without ever even being asked to join them. Nor do the taxpayers get a vote within the parties they have been forced to subsidize. They pay the dues, but receive no party benefits or privileges. It would be a challenge indeed to attempt to count the many ways in which this arrangement violates freedom of association. (On the one hand, taxpayers are forced to associate with political parties by being forced to subsidize them, while on the other hand, private individuals are prohibited from free association should some among them be able to contribute more financial resources to the effort than others, etc.)

The idea that contributions and their individual sources determine what a political party or candidate does is a complete irrelevancy, even when true. It's the chicken and the egg. Do the contributors donate to a political party because that party is already committed to the objectives they support - or - do the political parties draft their policies on the basis of what their contributors demand? Who cares? It's the same difference. It all comes down to the philosophies, trust, and inherent integrity of the persons involved.

The problem of 'corruption' that this committee and Bill 201 are ostensibly attempting to address is one of a lack of character and principles guiding those sitting in the legislature. Expecting the prohibition of voluntary donations to private political parties - including those not even sitting in the legislature - is no solution, but does provide more evidence of the *democratic corruption in the thinking of those who make these proposals*.

## Conclusion:

It is not political parties that we elect to the legislature. We elect individuals, who may or may not be a member of a particular political party. Party affiliation is the personal affair of a given individual. Party affiliation is a natural and proper convention that makes it possible for given majorities of common ideas and political philosophies (which are all personal matters) to act in unison, and so democratically carry their agendas forward.

However, taxpayers should never be obligated to pay for someone else's personal political preferences and associations.

Bill 201 changes all of this. It transforms the current parties in the legislature into permanent official taxpayer funded bureaucracies, cutting them off from the very people they are constituted to represent. There can be no just claims of representation and party support when the dues are forced.

Should Bill 201 become law, then for the sake of clear transparency, the name of Elections Ontario must be changed to Politics Ontario.

Should Bill 201 become law, Freedom Party will have yet another compelling issue to bring to the attention of voters in 2018.

Thank you.

## BILL 201 - OVERVIEW

Bill 201 destroys the very mechanism that makes public participation in the electoral process possible. That mechanism is the political party: an association of free individuals who, under the right of free association, may share their common values and present those to the electorate for consideration in future elections.

In Ontario, one does not need to be a member of a political party, nor be a representative of a political party, to be able to become an electoral candidate seeking a seat in the Ontario legislature.

Just as single individuals who run as candidates are private individuals - separate from any aspect of the electoral process between elections - so too, political parties are groups of such private individuals, separate from the electoral process. Politics is personal. For Freedom Party, the period between elections is the period when we are engaged in politics - political advocacy and action - all guided by the principles on which the party is founded, and represented as political planks when the electoral process once again gets under way.

A party can be a group of two or more people who come together for a common purpose or interest. Not all people who vote for, or support the ideas of, a political party become financial supporters of that party. A party with only two contributing supporters (but with enough fielded candidates) could conceivably sway an entire electorate, if what the party was offering to the voters was palatable, desirable, and do-able. To prevent that possibility from happening is inconceivable in a free democracy. Yet that is exactly the consequence of Bill 201's proposals.

The electoral process and the political process are two separate and distinct functions. Since Freedom Party's founding in 1984, we have been witness to a blurring of these distinctions to the point of making each irrelevant to the task of determining the direction and path on which Ontario is being set. In the name of democratic and electoral reform, democracy itself is being deformed.

Elections Ontario already unjustifiably regulates political parties outside of any electoral period or efforts, during a time when there are no candidates nominated for anyone to choose from.

Between elections, there are no candidates or contestants for the Ontario legislature to be fielded. To regulate and limit the financial income and expenditures of political organizations outside of the established brief election period itself is undemocratic.

Election rules already have ceilings on the spending allowed by each riding, each constituency association, each candidate campaign, and the main party - during an election period, from the date the writ is dropped until approximately three months following the election date.

During these electoral periods, equal and reasonable spending limits, along with similar political tax credit regulations, are rules and guidelines that apply to all participants in an election race, and do not particularly draw any undue concern at this point in time.

However, the infringements on private political organization and activity by this government and by current and past administrations of Elections Ontario, and the continuing encroachment of fundamental human and individual rights in this regard, has been reaching a breaking point. Bill 201 may well be it.

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### FREEDOM PARTY OF ONTARIO

**Freedom Party of Ontario** is a fully-registered Ontario political party. Contributions are tax-creditable for Ontario residents.

**Statement of Principle: Freedom Party** is founded on the principle that:

*"Every individual, in the peaceful pursuit of personal fulfillment, has an absolute right to his or her own life, liberty, and property."*

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