



CANADA

# Debates of the Senate

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1st SESSION

• 39th PARLIAMENT

• VOLUME 143

• NUMBER 45

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## FEDERAL ACCOUNTABILITY BILL

**Report of Committee—Motion in  
Amendment—Debate Continued  
(Bill C-2)**

**Speech by:**

**The Honourable Larry W. Campbell**

**Thursday, November 2, 2006**

## THE SENATE

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### FEDERAL ACCOUNTABILITY BILL

REPORT OF COMMITTEE—MOTION IN AMENDMENT—  
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Stratton, seconded by the Honourable Senator Comeau, for the adoption of the fourth report of the Standing Senate Committee on Legal and Constitutional Affairs (Bill C-2, providing for conflict of interest rules, restrictions on election financing and measures respecting administrative transparency, oversight and accountability, with amendments and observations), presented in the Senate on October 26, 2006;

And on the motion in amendment by the Honourable Senator Milne, seconded by the Honourable Senator Cook, that the fourth report of the Standing Senate Committee on Legal and Constitutional Affairs be not now adopted but that it be amended at amendment No. 146(a), by adding, in the French version, after the word “Commission,” the following:

“ou le renouvellement de son mandat.”

**Hon. Larry W. Campbell:** Honourable senators, I rise today to speak to Bill C-2, the proposed federal government accountability act.

It has been both a pleasure and a privilege to work with honourable senators and to hear from the diverse group of witnesses that appeared before us. The committee worked tirelessly, hearing from as many witnesses as possible to ensure that unintended consequences were minimized by this bill. I would like to thank the chair, the clerk and Senator Day and his staff for helping with the organization and scheduling of witnesses when the committee needed additional testimony to inform their decisions.

I, like other members of this committee, strongly support the aim of Bill C-2, to strengthen accountability and increased transparency. Unfortunately, spelling mistakes and grammatical and translation errors aside, this piece of legislation received from the other place was flawed. The committee has made 156 amendments, 42 of which were introduced by the government. The changes to the legislation introduced by the committee will improve this bill for all Canadians.

The proposed amendments before honourable senators are the recommendations of the committee that represent some of the discrepancies found between the stated policy of increased accountability and the actual effects of the legislation. My purpose in speaking today, honourable senators, is to underline the importance of the amendments in this bill, specifically as they relate to lobbying.

The committee heard from a variety of witnesses from the lobbying sector. They raised numerous concerns with respect to the legislation and outlined the detrimental effect that increased

reporting, a five-year ban and the reporting of trade secrets will have on lobbying. The government’s attempt in this bill to create a pseudo-ban of lobbying by changing the lobbying restrictions from a one-year ban to a five-year ban negates the important role that lobbyists play in the public sphere. The five-year ban was described by numerous witnesses as a prohibition on lobbying. The Honourable Joe Jordan, now working with the Capital Hill Group, described the change as a “prohibitive ban” and that “two years would get you where you want to go in terms of what this legislation is trying to do.”

I raise this issue because I believe that in not only this area but also many other sections of the bill, the government, in its haste to do something, has not taken the time to understand the implications of its actions. The committee has respected the government’s decision in terms of the five-year ban. We have, however, included a strong observation on this issue, and we would like government to revisit the implications and the length of the ban.

I reiterate that the rest of the committee and I believe that the government needs to restore faith and trust in institutions, but I caution against knee-jerk reactions over the careful study of the issues and the effects that new regulations will impose on the government, the private sector and Canadian citizens.

Lobbyists have received bad press in recent years and lobbying is often viewed in the public sphere as a negative vocation. Contrary to popular belief, lobbyists acting on behalf of their clients frequently act as an educator and are able to navigate the maze which is Parliament to bring the attention of parliamentarians to issues that affect their clients, the government and the public at large.

A clear example of the benefit that lobbyists provide would be the various agricultural lobbyists who advocate for important issues surrounding farming and predominantly rural issues. The urban and insulated group of politicians located in Ottawa rarely hear of the plight of rural farmers firsthand. The need to have a representative who understands the process of government and the various methods of contacting officials is vitally important to maintaining an informed government apparatus.

Lobbyists serve an essential purpose. However, their voices should not be heard above the public good. This is why it is necessary to have legislation that allows lobbyists’ activities to be monitored and forces individuals who try to influence government to do it publicly rather than secretly.

Under the lobbying section of Bill C-2, the government has created a greater reporting regimen, which is beneficial in monitoring lobbying activities. These new regulations will minimize the number of unregistered lobbyists, thereby creating a more transparent environment where senior public officials can confirm the registration of lobbyists and uncover unregistered lobbyists who are contravening Lobbying Act regulations.

The success of this section of the bill is dependent on the powers and the funding that will be given to the commissioner of lobbying and his office. The ability to demand information from senior public officials or lobbyists is essential to guarantee that those who break the rules take responsibility for their actions.

Bill C-2 will require that:

No individual shall obstruct the Commissioner or any person acting on behalf or under the direction of the Commissioner in the performance of the Commissioner's duties and functions under this Act.

If the lobbyist decides to go underground and ignore a ban imposed by the commission, the amendments made by the committee will now make it an offence.

Any person who fails to comply with a prohibition of the Commissioner...is guilty of an offence and liable on summary conviction to a fine not exceeding \$50,000.

With these new powers comes the responsibility to report on wrongdoing when it occurs. The commissioner, under these amendments, will now be required to report infractions in either an annual or special report to Parliament.

One of my concerns with respect to this bill is the ability of the commissioner to carry out his duties with the current level of funding allocated to the department. I point to the testimony of the Honourable Joe Jordan and Mr. Leo Duguay.

You have 4,700 to 5,000 registered lobbyists who now register their clients twice a year. We met with a representative of the office and have learned that the process is becoming more robust. They are questioning entries. We used to simply change the name on the top of the sheet and register five people. They are doing their job, or trying to, but they are stretched in terms of resources.

If you are now going to require filings for phone calls and meetings, that will be between 300,000 and 400,000 filings per month. The government is running a registry. Think of our experiences with this. I agree with Mr. Duguay. Take the current budget for this office, and, if all you want them to do is the paperwork, multiply it by 30.

For your information, the budget is now \$3.5 million.

If you want them to analyze the paper and take action on problems, multiply it by 50. The budget is \$3.5 million.

I am not saying that transparency decisions should be made based on cost. I am only saying to get your chequebook out because this will be expensive.

• (1440)

I would like to draw the attention of honourable senators to the logistics of what we are attempting to do with this legislation. I believe the government needs to carefully consider how the actual reporting will be conducted. The current budget for the lobbying commissioner is \$3.5 million for current operations with a provision for more funding. The government must consider what it wants from this office and fund it accordingly. There is a great probability that unforeseen circumstances will create ballooning costs. Conversely, if the funding is not available, we will have created a department that files paperwork but does not have the resources to look into wrongdoing.

I believe the amount of funding in the drafting of the reporting mechanism for lobbyists is extremely important issue for this government to consider if it really wants accountability or merely the perception of accountability.

In addition, the Senate committee recognized the difficulties faced by not-for-profit organizations who, with limited budgets and staff, would struggle to fulfill reporting requirements set out in Bill C-2. The committee has amended the bill by equalling the reporting requirements of organizations and corporations, making it a more consistent and fair process for all involved.

The amendment proposed by the Senate committee will strengthen the commissioner's power, close loopholes in the legislation, and clarify and improve the wording throughout the bill. This amendment will make the act more consistent, guaranteeing the reporting of wrongdoing, all the while ensuring that the reporting requirements are not so onerous as to drive lobbying underground.

The changes that the Standing Senate Committee on Legal and Constitutional Affairs made to Bill C-2 have improved this legislation. It will, with the government's amendments, make government more transparent and accountable to all. Thank you.

**Some Hon. Senators:** Hear, hear!