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—
Chair

Mr. Paul Szabo

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Standing Committee on Access to Information, Privacy and Ethics

Tuesday, August 12, 2008

•(1005)

[English]

The Chair (Mr. Paul Szabo (Mississauga South, Lib.)): Colleagues, this is meeting 47 of the Standing Committee on Access to Information, Privacy and Ethics. Our order of the day is the motion approved by the committee, that the Standing Committee on Access to Information, Privacy and Ethics investigate the actions of the Conservative Party of Canada during the 2006 election in relation to which Elections Canada has refused to reimburse Conservative candidates for certain election campaign expenses in order to determine if these actions meet the ethical standards expected of public office-holders.

Colleagues, this morning we have four witnesses, all of whom received summons. I regret to inform you that they have not appeared. Accordingly, I suspend until 2 p.m.

• _____ (Pause) _____

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•(1400)

The Chair: Order.

We are resuming the committee's proceedings on the motion adopted by the committee, which is that the Standing Committee on Access to Information, Privacy and Ethics investigate the actions of the Conservative Party of Canada during the 2006 election in relation to which Elections Canada has refused to reimburse Conservative candidates for certain election expenses in order to determine if these actions meet the ethical standards expected of public office-holders.

This afternoon we had six witnesses who were to appear before us. Mr. Ken Brownridge was summonsed and subsequently provided a statement of health problems and is not here. Mr. Michael Gilmore expressed reservations about appearing, was issued a summons, and did not agree to appear. And Mr. Sam Goldstein, who was issued a summons, is willing to appear but not today. He offered to do it another day.

We do, however, have with us Mr. Douglas Lowry, Mr. David Marler, and Mr. Geoffrey Webber.

Gentlemen, thank you kindly for appearing. And I would ask...

•(1405)

Mr. David Tilson (Dufferin—Caledon, CPC): I have a point of order.

The Chair: On a point of order, Mr. Tilson.

Mr. David Tilson: Mr. Chairman, I'm concerned that you've given an explanation as to why some of the witnesses aren't here today. It was rather unusual, your performance here this morning, when you opened up the meeting, and I believe four or five witnesses were not present.

Sir, you didn't allow any time for debate or questions as to what the committee would do or whether the committee was concerned about that. These meetings are very expensive to hold. It's expensive for members to come. It's expensive for the staff to be here. It's expensive, and to simply dismiss that was rather uncalled for.

Most of those three witnesses—I think there were five witnesses, rather—all came from the province of Quebec. We don't know why they weren't here. You didn't indicate whether they said they would not be here. You didn't seem to know. You didn't say. They may all have been travelling together. I don't know. Maybe they were travelling by train. Maybe there was a delay somehow. Normally what you do, Mr. Chairman, from any experience I've had either in committees or in courts of law, is number one, the person in charge of the hearing, who is you, consults with other members of the committee and possibly suspends the meeting, not for three or four hours but for half an hour, to see whether these witnesses are going to telephone the clerk's office or whether they're going to come. But you haven't allowed that.

So sir, once again you've blown it. We now have no idea whether these witnesses appeared some time between 10 o'clock and 2 o'clock. We don't know that, because you suspended the meeting.

My point of order, sir, is that in the future.... I think you were out of order in suspending the meeting the way you did. In the future...I believe this is not your show; this is the show of the ethics committee, and we should all be consulted as to what we're going to do.

The Chair: Thank you, Mr. Tilson, for your input.

Sorry?

•(1410)

Mr. Gary Goodyear (Cambridge, CPC): I was just asking for the floor.

Go ahead, please. I'm asking.

The Chair: Mr. Tilson, as I was saying, the issue of witnesses not appearing came up at another meeting. I had indicated that this was a matter the committee would have to address, and I proposed that we deal with it on Thursday, because we don't know who will come or not come and what the committee's decision.... It is a committee decision as to what steps may be taken.

In regard to the four witnesses scheduled to be here today, they were all issued a summons to appear at 10 o'clock this morning. There was no communication today, as I recall, about this morning's forum. There was no communication from any of the four witnesses today to advise us that they weren't going to appear. I do not know the reason they did not appear. That deals with part of your point of order.

With regard to suspending for a short while and discussing and so on, I had indicated that it is a matter this committee is going to have to deal with in regard to witnesses who have been summonsed who have made no effort whatsoever to cooperate. Some did get back to us and just said that they wanted to decline. There's a range of circumstances.

The members raised this with me yesterday. I believe it was you, Mr. Tilson. You asked if you could get a copy of the clerk's report on the various calls. I immediately asked the clerk to have it translated and to make sure it was updated right up to the end of yesterday's hearings.

Questions have been raised about privacy issues. There are personal phone numbers and addresses here of persons who, if this document were to get out into the public domain.... I want the committee to instruct on that and to maybe get advice from House counsel on the privacy considerations. But I have no problem sharing the information with the committee in both official languages, on an embargoed basis, with the copies returned after we deal with them. That would be one possibility.

This is a matter I want to discuss with the committee. It's important. I hope the committee will be prepared to suggest to all colleagues how we might approach this. So thank you for raising the issue. It is important, sir.

Now, we have our four witnesses. I want to ask the clerk to please swear in the witnesses.

Mr. Gary Goodyear: I have a point of order first, Mr. Chair.

The Chair: We'll have Mr. Goodyear on a point of order.

Mr. Gary Goodyear: Mr. Chair, I came to you before this meeting and respectfully asked that you offer me the floor so that I wouldn't have to get "ruckusy" on you and demand a point of order. I don't know whether I have a point of order here or a point of clarification or a point of procedure or a point of incompetence. But if I may just speak for a moment, I would like to suggest to you that the interpretation I clearly have is that when this whole process began, and you and your staff began contacting witnesses based on, apparently, a conversation with three of them, you went ahead and issued some 30 summonses. One might consider that to be intimidating.

Then on Monday, when the witnesses showed up—all of them except one—you informed the witnesses that you had changed your mind, and the accommodation, the deal you made with Monsieur

Mayrand, the Mayrand accommodation, would not be offered to these witnesses. You also brought in a new procedure. And I would like to know if the witnesses were informed that they would in fact be sworn in. That, to me, indicates that perhaps witnesses might want to have legal counsel. Those procedures, to me, suggest further intimidation.

On Monday, when we had an opening because a witness didn't show, you refused to allow Mr. Finley, who did inform your office that he wouldn't be available later in the week. It is fully customary for chairs to make every effort to accommodate witnesses' schedules. You did not allow Mr. Finley to do that. And besides that, you went to the unprecedented measure of bringing in officers and removing him. That, sir, is intimidation.

That's not to mention that witnesses are watching these proceedings and the number of changes that are being made. Witnesses know full well that these decisions aren't really made by the committee—they're made by the majority on the committee—and that all the Conservative witnesses were deemed to be irrelevant by you, sir, and not allowed. None of the witnesses the Conservative Party put forward were even allowed to be here, because you deemed them to be irrelevant. However, we've seen so far—and I'm sure the witnesses we have today do not fall into this category—that there were a number of these witnesses who offered nothing to this committee.

So sir, I'm suggesting to you that you have to accept responsibility for the falling apart of this committee and the proceedings here. It's your conduct, or lack thereof, that has provided a level of intimidation of witnesses, who possibly do not believe there is any fairness to be had here and that the only fairness they can get is in a real courtroom with trained cross-examination. So sir, I'm suggesting to you that not only have you failed to provide committee members....

Some hon. members: Oh, oh!

Mr. Gary Goodyear: You can't interrupt me on this. Nice try.

● (1415)

The Chair: Order, please. Mr. Goodyear has rights. He has the floor, and I'm going to let him complete his statement.

Order, order.

Carry on, Mr. Goodyear.

Mr. Gary Goodyear: Thank you, Mr. Chair.

My point is that we've seen a number of changes, and even if witnesses knew the normal process of committee they would be surprised by them. Offering witnesses closing statements that clearly disallow any questions on what they may or may not say—these types of things are just unprecedented. I suspect that at this point witnesses are realizing this is not the forum where they can speak the truth or get the truth out, and they perhaps have decided to wait for the court.

I'm suggesting to you, Mr. Chair, that not only is this true, but you have not provided this committee, or at least this side of the room, with all the documentation. You admitted this morning—or perhaps it was yesterday, because we weren't offered any time.... Yesterday you said with feigned surprise, “Do you not have the documents from Monsieur Mayrand?” No, we don't have them. How can we ask witnesses questions when we don't have all the research?

Anyway, Mr. Chair, I can tell you that if Canadians haven't already seen this to be a kangaroo court, a forum of complete unfairness... this is not going to result in anything close to the truth. I've suggested that's not what we're after anyway. We are asking you to abide by the rules, follow the fairness and traditions of parliamentary committees, and let's move forward.

We asked yesterday for a review of the witness list, and it was voted down, sir. You will say it was by the committee, but it is not fair to say that. It was voted down by the tyranny of the majority on committee.

We demand the following documentation from you forthwith, with no delays or excuses. We would like a list of all summonses that were issued—all of them. I want a copy of the script that was given to the clerks of the committee for use when they attempted to contact all the persons on the witness lists. I want a copy of the phone logs or similar records, and I want the names of the clerks who made those phone calls and the content of the discussions between the clerks and the witnesses. I want a copy of the affidavits of service. I do not believe that all the witnesses have received their summonses, contrary to your implications. I want copies of all correspondence where accommodations or other arrangements for witnesses were discussed, suggested, or agreed upon.

I apologize to you for not having faith in your word, but I do not have faith in your word. I want to see documentation. I no longer want to see you going out to the media and saying that the Conservative Party is doing this or that when you have absolutely no evidence. These are very aggressive and egregious accusations from a chair who's supposed to be non-partisan but is clearly partisan.

If I can ask one more thing, please do not ask your colleagues across the way to put forward motions that will help you get out of these proceedings. Yesterday you asked one of your colleagues.... I don't want to accuse Mr. Hubbard; I think it was Dominic LeBlanc, but it does not matter. But you turned to your Liberal buddies and said, “Please move a motion to adjourn.” That is not the conduct of a chair; that is the conduct of a puppet. Maybe that's why the witnesses are choosing not to appear before this kangaroo court.

• (1420)

There will be no fairness had here; there will be no truth had here. I've said this before and I'm absolutely sure of it now. The jury across the way has long ago made up its mind because it's politically advantageous to move in this direction. A court of law will provide the absolute truth.

This proceeding is denigrating parliamentary procedure, and you, sir, are at the forefront of it. If you had any decency, sir, you would remove yourself from the chair.

Some hon. members: Oh, oh!

Mr. Gary Goodyear: I will repeat myself, if you didn't hear me, Madam Redman. If I moved the motion, it would be voted down. So I'm offering the chair an opportunity to restore his respect.

The Chair: Order. Order, please.

Mr. Gary Goodyear: I'll leave you with that, but I do expect the documentation in writing and full proof immediately.

Thank you.

The Chair: Order, please. Order.

Parliament is a place for free speech. We do have rules and procedures. The point of order was obviously not a point of order, but obviously Mr. Goodyear needed to express himself here. I decided to allow him to express his views on a number of matters.

I tried to write down all the points, but to make absolutely sure, I will get the blues so that I have all the matters you raised, sir. I intend, at an appropriate time, to respond to each and every one for this committee. It will take me a little bit of time, because there's a fair bit.

With regard to documents, the letter from Mr. Mayrand, which has been circulated to you now, was just received by the clerk today. I got mine on Friday, or something like that. We have it in both official languages. It has been circulated.

Mr. Mayrand had some undertakings with regard to affidavits from Madame Vézina and Ms. O'Grady. They were sent to my office last week when I wasn't here. I concluded that the clerk also had received them from Mr. Mayrand. They are not in both official languages. We have a convention that documents can be circulated to members in the language in which they are provided, extensive documents, as in the Mulroney-Schreiber hearings, but they are to be translated at the earliest possible time and circulated.

It appears right now that I am the only one who has a copy of these documents. They are exhibits and so on. I won't go into what's there. No other member has them. As you know, I don't ask questions, so they have not been of benefit to any member over another member. I want to do that, but we have business to do.

I would like to, please, if it's acceptable to the committee, move to the witnesses. I'm going to ask the clerk to please swear....

We'll have Mr. Del Mastro on a point of order.

Mr. Dean Del Mastro (Peterborough, CPC): Thank you. It's a procedural matter, Mr. Chair.

I'd like you to consult page 857 of Marleau and Montpetit, where it discusses the role of the chair. I would like you to review it, because I have serious concerns about your conduct, including this morning. I have personally set aside time, as have other members, for a special committee meeting. But without permitting any debate—and it was incredibly disrespectful—you banged a hammer and terminated this morning's meeting. I had meetings with constituents this morning in my constituency that I could not attend because I am here.

I do want you to review page 857 of Marleau and Montpetit. Specifically, I would like to know where within that you see you may, at any time, enter hearsay evidence without any documentation to back it up, as you did several times during yesterday's meetings. I would like to know where in there you see that you may look to your Liberal buddies and ask them, direct them, to put motions on the floor so you can effectively terminate the committee. That's what you were looking to do yesterday. I would like to know where in there you determine that you can make rules as you go. Several times yesterday I read a statement that you indicated would govern the rules, the questions, the scope of this committee. You disregarded it continuously. You are making rules as you go.

Last—and it has been mentioned by Mr. Goodyear—I have never, in any committee, seen where there were closing statements provided that do not allow for cross-examination.

Your conduct is well beyond and way, way far removed from the role of the chair as outlined on page 857 of Marleau and Montpetit. I request that you review that.

I also request that you do not disrespect the members of this committee by banging the hammer when you have scheduled a special committee meeting, caused us to incur cost, and caused us to depart from our ridings where we are working. I don't know about you, but I haven't taken any holidays. I work every day and meet with my constituents. I am missing those meetings. I am not in my riding because I am here. That was incredibly disrespectful.

•(1425)

The Chair: I think I can quickly respond to the member's intervention.

An hon. member: Is it a point of order or not?

The Chair: Yes, he's questioning a procedural matter. It's a point of order.

If you give me a moment, I think I can discharge this to the member's satisfaction.

Number one, Mr. Goodyear read the same point about yesterday's adjournment, following our witnesses. Respectfully, sir, I didn't need to ask anybody to move a motion for adjournment, because all of the witnesses had been heard and there was no other business before the committee. That's what you do: you adjourn the meeting. So that takes care of that allegation.

With regard to this morning, I think Mr. Martin raised a very good point with regard to Mr. Finley, who came before his scheduled time. Mr. Martin indicated that when you have a witness, you have to properly prepare for a witness. Members had come prepared to question six scheduled witnesses, who were here and sitting at the table in a two-hour time slot. To then say, "Well, just make room for this person", we couldn't do it. It was not respectful to the witnesses who had made an effort to communicate with us and agreed to be here voluntarily.

This morning we had scheduled four witnesses. All had been summonsed. None of them had given us any confirmation or any communication to indicate they would not be appearing. The members had to prepare for those four witnesses.

With witnesses not appearing, that is a matter that I hope, the committee will address on Thursday, as to how we might move forward on this with future meetings and future witnesses and business that the committee cares to deal with. However, at that point, with only four witnesses scheduled, no other business scheduled that we could deal with, the chair had no business to transact except to suspend until we had the witnesses coming at two o'clock. That was because there were no more witnesses to hear and we'd already dealt with the other matters that weren't already scheduled.

Finally, on the issue of closing statements, it's not a rule that you must have an opening statement and you must have a closing statement. The committee decides. I think—I think—I proposed with the first witnesses that that was the way we would proceed, and that was acceptable to the committee. And we're treating all the witnesses in the same fashion.

We have had closing statements, as you know, in the Mulroney-Schreiber hearings. All of the witnesses who appeared had that opportunity, so I think that answers your third point.

I take note. I want to look at the transcript again, all the words that you said, sir, to make sure I've answered them. I undertake to fully answer any other points you may have raised, but I did want to deal with those.

Thank you very much.

•(1430)

Mr. Dean Del Mastro: Could I add a supplementary, please?

The Chair: So I would like to—

Mr. Dean Del Mastro: A supplementary, please.

The Chair: Carry on.

Mr. Dean Del Mastro: Thank you.

Mr. Chair, I would like a commitment from you, because we did have a number of points. Mr. Goodyear has brought up those points that we were seeking clarification on, that we could have got this morning, that we could have now before us at this committee. And you have undertaken to provide that. That is the commitment that you made. You've undertaken to provide what Mr. Goodyear has requested from you as evidence that you had people who disregarded the summons this morning—because that was the contention that you made—and we would like to actually get that information. But we had no opportunity to talk about that because you determined there was nothing to talk about. We did have something to talk about.

I would like very much, for the balance of this week—which is a special week in which you have called us to be here—for you to assure me that you will not shut down a meeting prior to anyone on this committee even having a discussion about whether we want to adjourn the meeting.

Thank you.

The Chair: I will take note of your remarks. Certainly all of the information that should be in the hands of members will be put in the hands of members. Requests have been made for documents. As I indicated earlier, they're being translated.

I hope you understand that it would be the prudent thing to do to ensure, since this committee is responsible for matters related to the Privacy Act, that I don't violate the privacy issues with regard to proposed witnesses. But as soon as we can...and as you know, I deal with my team, who are the people here from the clerks directorate. There are about four people who have been providing services to me, and I can tell you, notwithstanding some of the suggestions by members' comments about these people, I trust them implicitly. They do excellent work, and I stand behind them 100%. I will continue to rely on them for their counsel and advice, as well as the Office of the Law Clerk of the House of Commons and my researchers from the Library of Parliament who are also working on the next phase of our hearings having to do with ethical standards and expertise, so that we can move forward towards a report and possibly recommendations to the government for amendments to the Conflict of Interest Act or any other document, which is the reason for our study.

With that, I hope I've heard all of the matters that you care to raise for this time, and if it's acceptable to the committee, I'd like to move to the witnesses so that we can continue our work, please.

We've sworn in the witnesses. Thank you kindly. We're going to move straight to questions.

As I had indicated to all the witnesses before these proceedings started, we will go to the questions first, and they will have an opportunity to either make corrections or make some final commentary to the committee that they feel is important so they can fully express their free speech to this committee and to the public of Canada.

Mr. Proulx, please, for seven minutes.

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Thank you, Mr. Chair.

I wish to welcome the witnesses this afternoon. Gentlemen, please feel very at ease with us. We are very respectful, on this side of the table especially. My party is very respectful of witnesses. Some might think what you've just heard from other members could be interpreted as an attempt at intimidation. We are not intimidated, and I hope you are not either, because, let's face it, this is a committee of Parliament. You are here to speak the truth. This is not the committee of Paul Szabo; it's a committee of Parliament.

Mr. Marler, good afternoon, sir. Would you rather we do this in English or in French?

• (1435)

[*Translation*]

Mr. David Marler (As an Individual): I prefer to speak in French, but I am prepared to answer in English.

Mr. Marcel Proulx: Perfect, Mr. Marler, we will proceed in French.

Mr. Marler, I understand that you were the Conservative Party of Canada candidate in the 2006 election for the riding of Brome—Missisquoi.

Mr. David Marler: That is true.

Mr. Marcel Proulx: You were identified as one of those who refused to take part in a Conservative Party financing scheme during the last election.

How was your campaign contacted—"cajoled" if you will—by the Conservative Party to take part in this scheme? If such is the case, who was it from the Conservative Party who contacted you?

Mr. David Marler: In December—I cannot remember the exact date—but it was before the Christmas holidays, I received a call from Mr. Nelson Bouffard, who was the second in command at the Quebec Conservative headquarters. He told me that he was calling to inform me that the party was going to transfer a certain amount of money into my campaign account. I remember that the amount was \$30,000. He told me that there was no reason to worry about it or to feel pleased about it, because it would be immediately withdrawn.

As the money was to be deposited by the party into the account of a riding, he requested my authorization.

Mr. Marcel Proulx: Mr. Marler, were you told what this money would be used for?

Mr. David Marler: Not at that time.

Mr. Marcel Proulx: Did you agree?

Mr. David Marler: No, I did not agree. I asked Mr. Bouffard to explain to me the purpose of the transfer. He told me that it did not concern me, and that it was a request from the national party and that it had nothing to do with me.

Mr. Marcel Proulx: Mr. Marler, I apologize for rushing you, but my time is limited.

Did the Conservative Party or anyone else come back to try to convince you a second time?

Mr. David Marler: Yes. I asked Mr. Bouffard to explain the purpose of the transfer, and what the money that was going to be deposited into my account and then withdrawn would be used for. He was not clear at all.

I can tell you frankly that I strongly doubt that he himself knew. That is only my opinion, and I have no evidence of it.

Mr. Marcel Proulx: Did someone—

Mr. David Marler: To complete my sentence, I do not believe that he knew and that he was following orders.

Mr. Marcel Proulx: Did anyone eventually explain to you what the money was going to be used for or if you refused?

Mr. David Marler: Mr. Bouffard then asked me if I was refusing. I answered that it was not exactly that, but that I could not accept unless I understood the reasons for the transaction. That was the conversation I had with Mr. Bouffard.

Some time later, that same morning, I received a call from Mr. Michel Rivard, who told me that he was part of the leadership of the Conservative Party and that he was telephoning me from Quebec City. He asked me why I had refused the money or the transaction proposed by Mr. Bouffard. I answered that it was because Mr. Bouffard would not or was not in a position to explain the purpose of the transfer. He then told me that the party was organizing something or other, I am not sure what exactly, because it was not expressed very clearly.

However, I did not doubt his sincerity. Once again, I am not sure that he knew himself what the purpose of the transfer was. He told me that the transfer had to do with advertising and that the party was organizing and that it would have a positive impact on my riding and other ridings in the Eastern Townships.

• (1440)

Mr. Marcel Proulx: Mr. Marler, was money transferred into your account?

Mr. David Marler: No.

Mr. Marcel Proulx: You refused.

Mr. Marler, did someone from the Conservative Party of Canada contact you to ask you not to speak to the people from Elections Canada, to the media or to people from the House committee?

Mr. David Marler: No.

Mr. Marcel Proulx: Mr. Marler, are you the current candidate in Brome—Missisquoi for the Conservative Party of Canada?

Mr. David Marler: No.

Mr. Marcel Proulx: Why?

Mr. David Marler: Because the party told me it did not want me.

Mr. Marcel Proulx: Thank you very much, Mr. Marler.

[English]

The Chair: Thank you kindly.

Madam Lavallée, s'il vous plaît.

[Translation]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Thank you. I will pick up where you left off.

Why did the Conservative Party tell you that it did not want you to be a candidate in the next election?

Mr. David Marler: The party did not give me a reason. The president of the local association told me that the party did not want me.

Mrs. Carole Lavallée: What do you think the reason was?

Mr. David Marler: I would rather not speculate on that.

Mrs. Carole Lavallée: Do you think the reason might have been the fact that the last time...?

[English]

Mr. David Marler: I'm afraid I can't hear the questions.

The Chair: Order, please.

Mr. Marler has indicated that he can't hear because there are a lot of conversations going on over here. Everything was going fine with Mr. Proulx, but when the Conservatives started to discuss who was going to be the first to ask questions and had little discussions, all of that was taking place within earshot of Mr. Marler.

I'll ask all honourable colleagues to please guard themselves against having loud conversations while there is questioning going on, so that everyone can hear, especially the witnesses and the questioners.

Madame, you've used about half a minute of your time. Please proceed.

[Translation]

Mrs. Carole Lavallée: Thank you very much.

I had got to the fact that you did not want to speculate about why the Conservative Party did not want you. Do you nevertheless think it might be possible that the reason could have been because you did not want to take part in his in-and-out scheme? Could that have been the reason?

Mr. David Marler: I do not know the reason. Mr. White told me that the party did not want me. There was no previous discussion. I am speaking of the last conversation. At that time, we were at the nominations stage. If I were to continue with the nomination process, the party was going to reject me either before or after the nominations were closed. It was very clear that he did not want me. As for why, he did not tell me and I do not know.

Mrs. Carole Lavallée: You did not ask?

Mr. David Marler: No.

Mrs. Carole Lavallée: I looked at your financial return to the Chief Electoral Officer. You said that you did not accept money from the Conservative Fund. However, your return shows that transfers totalling \$42,933 were made by the Conservative Party between January 4, 2006 and February 27, 2006. Can you explain these amounts or ask your official agent to do so?

Mr. David Marler: Are you saying that there was a transfer from the Conservative Party in my account?

• (1445)

Mrs. Carole Lavallée: Yes. In the financial return from you to Elections Canada, there are transfers from the Conservative Fund, *Conservative Fund Canada*.

Mr. David Marler: On what date?

Mrs. Carole Lavallée: On January 4, 2006, there was \$1,000.

Mr. David Marler: How much?

Mrs. Carole Lavallée: One thousand dollars. On January 18, 2006, there was \$3,975.

Mr. David Marler: I thought you said \$42,000.

Mrs. Carole Lavallée: I'm getting there. On May 8, 2007, \$27,061.50.

Mr. David Marler: Let's start over. Can we do it number by number?

Mrs. Carole Lavallée: All right. The first number is \$1,000 on January 4, 2006.

Mr. David Marler: I believe that the party paid or reimbursed me the \$1,000 that was to be paid to Elections Canada to become a candidate.

Mrs. Carole Lavallée: Okay. That's the deposit.

January 18, 2006, the number is \$3,975.

Mr. David Marler: I believe that that amount is for the signs on the posts.

Mrs. Carole Lavallée: Why did the national secretariat give you money? Usually it's the other way around.

Mr. David Marler: I do not want to avoid answering the question, but I do not have a good answer. I am almost certain that it had something to do with the signs.

Mrs. Carole Lavallée: All right. Perhaps your official agent will be able to answer these questions.

Mr. David Marler: Maybe.

Ms. Carole Lavallée: Mr. Webber, can you answer these questions?

[English]

Mr. Geoffrey Webber (As an Individual): I'll answer in English because it'll be quicker.

[Translation]

Mrs. Carole Lavallée: Put on your earpiece and you'll be able to hear the interpretation.

Mr. Geoffrey Webber: I understand very well. You will understand better if I speak in English rather than French.

Mrs. Carole Lavallée: I would not be able to understand you?

Mr. Geoffrey Webber: That's right.

Mrs. Carole Lavallée: All right.

I will return to the \$1,000 of January 4, 2006. Can you confirm that this was a reimbursement of the deposit?

Mr. Geoffrey Webber: Yes.

Ms. Carole Lavallée: What about the \$3,975 amount on January 18, 2006?

[English]

Mr. Geoffrey Webber: Yes, it was for the purchase of the exterior signs. We were new at this procedure. As to why the party bought the signs as opposed to our buying the signs, I don't really know. My understanding was that it was cheaper that way because it was a bulk deal or something.

[Translation]

Mrs. Carole Lavallée: But why did the Fund give you \$3,975?

[English]

Mr. Geoffrey Webber: It was because they paid the bill.

[Translation]

Mrs. Carole Lavallée: Oh, it's because you had already paid the... Excuse me, the interpretation takes a while.

On May 8, 2007 it was \$27,061.

Mr. David Marler: That is probably—

[English]

Correct me if I'm wrong.

[Translation]

Candidates received a reimbursement if they won 10% of the votes in their riding. He was entitled to a reimbursement of 60% of expenses considered eligible by Elections Canada.

Elections Canada allowed an advance for a certain percentage. I obtained 10% of the votes and Elections Canada did not ask for

numbers at that time because it was automatic. However, it went through the party.

Mrs. Carole Lavallée: Can you confirm that, Mr. Webber?

[English]

Mr. Geoffrey Webber: My understanding was that at some point during the procedure an agreement was made that the amount from Elections Canada would be paid to the national party instead of directly to us. We were quite concerned that we get the cheque, because Mr. White had had a problem with that in the previous election and was still concerned that he had not received his cheques. He said, make sure that you get your cheque back from the Conservative Party.

[Translation]

Mrs. Carole Lavallée: The Conservative Party had not given him his reimbursement cheque. Is that what you are telling me?

[English]

Mr. Geoffrey Webber: You would have to talk to him about that, but that was his concern: make sure you get your money back.

[Translation]

Mrs. Carole Lavallée: Thank you.

On February 27, 2006, \$10,896, one month after the election.

Mr. David Marler: I do not have the records in front of me. Mr. Webber handled that.

[English]

Mr. Geoffrey Webber: I don't recall what that is. It seems to me there were two payments of the amount that we were being reimbursed. Isn't it something such as that you get 20% and then you get the balance, or something?

The Chair: Thank you, Madame Lavallée.

I want to move to Mr. Martin now.

Mr. Pat Martin (Winnipeg Centre, NDP): Thank you, Mr. Chair.

I thank all the witnesses for being here today and showing your respect for Parliament and for this parliamentary committee by coming.

Mr. Lowry, you were the official agent for Sam Goldstein in the riding of Trinity—Spadina.

● (1450)

Mr. Douglas Lowry (As an Individual): Yes.

Mr. Pat Martin: Both of you were issued a summons to attend here. You're here with us today. Did you have any conversations with Mr. Goldstein about your appearances here today?

Mr. Douglas Lowry: Last week I was on holidays, but I e-mailed him. Somebody sent me a notice of the newspaper article and asked me if I had a summons. At the time, I didn't have a summons. Then I went home later that day and was met by somebody who gave me a summons. When I had time, I sent it to Sam, because Sam asked me...because originally I was asked, "Do you want to come?" The answer was no, I didn't want to come.

Mr. Pat Martin: That's fair enough. It's like going to the dentist.

Mr. Douglas Lowry: A lot of the transactions happen to do with the corporate side of the party; we just administer it. If the corporate party sends in some money, somebody at corporate decided that. I didn't decide it.

Mr. Pat Martin: Did Mr. Goldstein give any reason as to why he wasn't coming today?

Mr. Douglas Lowry: I didn't ask him today, because on Friday I told him I was coming.

Mr. Pat Martin: Let me ask some more detailed questions about the actual transaction.

On around December 1, shortly after the election was called, you were contacted by Susan McArthur of the Conservative Party of Canada, according to this affidavit, asking if you expected to spend your whole limit in your election campaign. You told her—

Mr. Douglas Lowry: No.

Mr. Pat Martin: I'm sorry?

Mr. Douglas Lowry: The answer was going to be no.

Mr. Pat Martin: That you would probably not?

Mr. Douglas Lowry: The answer was going to be no.

Mr. Pat Martin: How much room did you tell her you would have in your ceiling?

Mr. Douglas Lowry: In the 2005 campaign, we received 9.6% of the vote, so we received no money. In the 2006 campaign, we had to start off with scratch. Our total was going to be \$80,000.

Mr. Pat Martin: How much room did you anticipate?

Mr. Douglas Lowry: I said \$50,000.

Mr. Pat Martin: How much money did they then transfer into your bank account?

Mr. Douglas Lowry: I asked for \$50,000 and I got \$50,000. I ended up spending \$21,000 and was still under cap.

Mr. Pat Martin: In fact, you said you had approximately \$50,000 room, so they sent you a cheque for \$49,998—

Mr. Douglas Lowry: Not a cheque, but a wire transfer.

Mr. Pat Martin: —and 88 cents, it says here.

Mr. Douglas Lowry: That's correct.

Mr. Pat Martin: It was transferred by wire to Mr. Goldstein's campaign account.

Did you have direction and control over that money?

Mr. Douglas Lowry: The purpose was to turn around and send it back.

Mr. Pat Martin: I see. So you didn't spend that money as a local campaign expense?

Mr. Douglas Lowry: No.

Mr. Pat Martin: It was used to purchase advertising from Retail Media. Did you ever have any contact with Retail Media?

Mr. Douglas Lowry: No, but I did hear the media.

Mr. Pat Martin: Did you have your tags clearly visible on the advertisements?

Mr. Douglas Lowry: No, I heard it on the radio, on Q107. Obviously my riding association was never going to advertise on

Q107, which is one of the local radio stations. Some of the people in the campaign office were listening to it.

I'm actually not one of the listeners, but that's the reason I heard it. I would have put it on CHFI, but that's me. The campaign is not about me.

Mr. Pat Martin: Do you think the national campaign spent it on advertising?

Mr. Douglas Lowry: I know they did, yes.

Mr. Pat Martin: Do you believe, then, and is it your understanding that the national campaign transferred some of their advertising expenses to your local campaign by this practice?

Mr. Douglas Lowry: My understanding is that it probably would have been minus the national campaign.

Mr. Pat Martin: Do you think it was morally and ethically right for the party to launder their money through that campaign?

Mr. Douglas Lowry: First of all, I don't call it laundering. I think it's disgusting to call it laundering.

Mr. Pat Martin: What do you call it?

Mr. Douglas Lowry: It was an in-and-out transaction.

Mr. Pat Martin: To circumvent the spending limits of the Elections Act.

Mr. Douglas Lowry: It is not to circumvent. If you take a look at the Elections Act, and I encourage you to read the act, you'll notice that the Liberal Party under Prime Minister Chrétien changed the rules. They put a greater emphasis on government rebate and individual contributions.

Mr. Pat Martin: Sir, you can move money to a campaign as long as you spend it on that campaign. Did you spend that \$49,000 on your campaign, or did you kick it back to the party? Did you file for a rebate on it?

The Chair: Order.

An hon. member: This is outrageous.

The Chair: Order, Mr. Martin, please.

When the chair calls order, it's hopefully to let people get their feet back on the ground and realize where they are and what they're doing. I have always said, and I'm remiss that I did not repeat it again, that before this committee all witnesses are treated with dignity and respect. Mr. Martin, I think to be argumentative with the witness or baiting the witness probably is not helpful. More importantly, the translators cannot follow two people speaking at the same time.

I would ask all members, if you're going to ask a question, finish your question and let the person answer. They may not be giving an answer you want, but that's their answer.

You have a minute to go.

An hon. member: I have a point of order, Mr. Chair.

The Chair: I'm sorry, it's a seven-minute round. You have seven minutes.

Now, we're going to complete the questions. Mr. Martin has two minutes remaining.

One day, when you run and become elected, you will have a chance to give a point of order.

• (1455)

Mr. Pat Martin: All right, let me ask again, more calmly—and I don't mean to go over the top, sir—in your financial statements that you filed with Elections Canada, did you list that \$49,900 as an expense, to be eligible for the 60% rebate for that money?

Mr. Douglas Lowry: First of all, for the past 30 years I've worked for banks, trust companies. We think laundering money is a damn bad thing. You tell me I'm laundering money; this is damn disgusting. Don't use those words about me; tell it to somebody else. Go to the laundromat to use those words.

Mr. Pat Martin: Do you think you stood a chance in this election campaign? I mean, that riding has been held by Dan Heap since time began—

Mr. Douglas Lowry: No, it's held by Olivia Chow.

Mr. Pat Martin: —Tony Ianno, and now Olivia Chow.

What percentage of the vote did in fact you get?

Mr. Douglas Lowry: We got 9.65%.

Mr. Pat Martin: In the 2006 campaign?

Mr. Douglas Lowry: Yes. It was under 10%.

Mr. Pat Martin: I see. So you didn't file for your 60% rebate because you didn't get 10%.

Mr. Douglas Lowry: You have to get more than 10%.

Mr. Pat Martin: Would you have?

Mr. Douglas Lowry: Of course. I believe that the Conservative Party thought about the long-term interest of the Conservative Party, and every other party could have done exactly the same thing.

Mr. Pat Martin: No, no, it would be illegal if we did that. We'd get busted just like you did. We'd get busted and hauled before this committee.

You guys think illegal is a sick bird. I'm sorry, I take that back. I retract that. There's nothing funny about this.

The Chair: Mr. Martin, unfortunately your time has expired.

I want to move to Mr. Goodyear, please.

Mr. Gary Goodyear: Mr. Chair, before you start my time, I've noticed, and it's perfectly okay, that a couple of the witnesses don't have their earpieces in. It's not just about translation; it actually helps to hear. It's just a suggestion to the witness. I have mine in so I can hear with all the stuff going on.

Thank you, Mr. Chair.

How much time do I have, ten minutes?

The Chair: This is a seven-minute round.

Mr. Gary Goodyear: Seven minutes. I might not use it all. I may want to share it.

Let's talk about Olivia Chow, just so that Mr. Martin over there can pay attention. I'm going to read you a document from an affidavit. I actually have the records from Elections Canada concerning the expenses of Olivia Chow. These are from Elections Canada.

Ms. Chow, as you know, was the NDP candidate. According to the documentation, there was in fact a regional media buy that was apparently accepted by Elections Canada and apparently shares many of the same characteristics that Pat Martin thinks is illegal.

Let me tell you the characteristics that are similar. One, this buy by Olivia Chow and the NDP was organized by or through organizers for the national party. The invoice was processed by the national NDP party. Oh, oh, there was no direct contact or written contract between the local campaign or the media, so they didn't even call her.

The messaging of the ad was produced by the national party. I've seen the ad. It doesn't mention the local candidate whatsoever. A share of the cost of the ad was claimed, guess where? By the local candidate. Interesting.

However, unlike the regional buys we're talking about with the Conservative Party, there was no underlying invoice from a media supplier in the documentation. The only invoicing provided by Ms. Chow was a spreadsheet. That's not an invoice.

And guess what? The ad ran throughout Ontario. It wasn't a regional buy. There was no documentation. But here's the interesting fact, Mr. Lowry, and I want to ask you why you think this is.

• (1500)

The Chair: Order. I apologize, Mr. Goodyear.

Mr. Wallace, with due respect, sir, another honourable colleague has the floor. All I can hear you doing is playing a flute over there, or something. I think the rest of the people in the room were watching you making some rude gestures.

I think what we should do, please, again, all honourable colleagues—

Mr. Wallace, please.

Mr. Mike Wallace: You called me a dog yesterday. I don't know what I've done to you. I introduced you at an event. You treat me like...I don't know what. I didn't do anything to interrupt the speaker. You interrupted him.

I don't know where you're coming from, Mr. Chair. You're unbelievable. You're the poorest chair I've ever experienced. I don't know what I've done.

The Chair: Again, I'm just going to ask, respectfully, all honourable members to respect their colleagues who have the floor and not to be engaging in conversations across the floor or with anybody else in a manner that would disrupt the ability of a colleague to pose his or her questions or make his or her statements, or of a witness to hear that and to respond. I'm just asking for a little courtesy. Thank you.

Mr. Goodyear, you still have five minutes left, sir.

Mr. Gary Goodyear: Thank you. I was on a real roll there. I know Mr. Martin's head was turning red.

But let me just finish up, because clearly what I have indicated, based on Elections Canada documentation, is that Ms. Chow apparently wasn't even aware of this province-wide regional buy that was paid for, invoiced, and done all at the national party level, Pat, and she invoiced it and expensed it locally.

Here's the problem, and I want to ask you—

The Chair: Mr. Goodyear, please, don't address another colleague.

Mr. Gary Goodyear: I'm sorry. I won't do that. You're correct. My apologies.

There's no documentation submitted to Elections Canada, but despite that, on this very unusual limited documentation, Elections Canada accepted the validity of this regional media buy as an NDP local campaign election expense, without question.

Why do you think Elections Canada chose to accept exactly—through you, Mr. Chair—what that NDP member just said was illegal? Why is it illegal for us apparently, but the NDP did exactly the same thing and it's not illegal for them?

I want to tell you one other thing, Mr. Lowry. We asked that Libby Davies, who did even worse than this, to be here as a witness. These guys voted against it. Do you have any comment on that?

Mr. Douglas Lowry: I think the only reason is that the Conservative Party looked at all the ridings that traditionally didn't spend enough cap. Every riding has a cap. My cap to spend is \$80,000.

I think when the Conservative Party went through every riding, we determined which ones didn't have cap and we said to all the ridings, "If you're not going to spend your cap, let's put it in more advertising. If you do get the 10%, you can compete the next time." So we went through every riding that was possible in the Conservative Party.

I think the NDP probably only did a few of them, maybe because under the rules election advertising is kind of flux. Maybe it's because part of the 2006 election had something to do with advertising.

We're supposed to be even squeakier clean than everybody else, but it seems to me that we did it more because we followed the rules and we looked into the long-term interest of every riding across Canada. I think if the ridings received their 10%, they would be much more competitive and we'd have better democracy across Canada.

Some hon. members: Hear, hear!

• (1505)

Mr. Gary Goodyear: In that case, it was obviously much better planning, but do you think it's fair that Elections Canada has singled out the Conservative Party and ignored what is exactly the same thing by the other parties? That's a yes or no, because I have limited time left, I'm sorry.

Mr. Douglas Lowry: No.

Mr. Gary Goodyear: You don't think it's fair.

Mr. Douglas Lowry: No, it's not fair.

Mr. Gary Goodyear: Thank you, Mr. Lowry.

I'm going to pass the rest of my questions to my colleagues.

The Chair: You have two minutes.

Mr. Dean Del Mastro: Thank you, Mr. Chair.

I want to thank everybody for coming.

Mr. Lowry, did you find it intimidating when you received a summons from Mr. Szabo? You must have.

Mr. Douglas Lowry: Let's see, I'm chair of a community centre, I've been on a citizens police committee for 10 years, I work for a bank, I have my own trust fund, I do a variety of things. With most of those things, if you do illegal things, you're off. My job is financial services. We try to stay within the law.

Mr. Dean Del Mastro: Have you ever been in jail, Mr. Lowry?

Mr. Douglas Lowry: I've toured jails.

Some hon. members: Oh, oh!

Mr. Dean Del Mastro: You've never been arrested or anything like that. So when you get something like this from the chair of the committee, that's pretty scary, isn't it?

Mr. Douglas Lowry: Well, that's why I came.

Mr. Dean Del Mastro: But you've done nothing wrong, have you, sir?

Mr. Douglas Lowry: No.

Mr. Dean Del Mastro: Thank you.

The Chair: Madam Redman, please.

Hon. Karen Redman (Kitchener Centre, Lib.): Thank you.

I would like to add my voice of thanks to all of you for coming. I think we all recognize this is a very serious issue, and official agents are an integral part of making sure every candidate stays within the limits.

Mr. Lowry, I wanted to ask you, because there has been some chatting among other people who were subpoenaed, were you asked not to appear today by any representative of the Conservative Party?

Mr. Douglas Lowry: I won't say "not to", because nobody's going to say you're not supposed to appear. I would say, because I swore an oath, it wasn't necessarily encouraged.

Hon. Karen Redman: Thank you. Could you tell us by whom?

Mr. Douglas Lowry: In my function today, I'm a Conservative. Naturally, one of the things I'd have to do is go to corporate headquarters and ask them, "What do you think?" I don't really pay attention to a lot of this, mainly because I didn't receive a rebate. I still think this is a valid thing to do. I think it's a good thing to be doing. I think the cap could be lowered a little bit to make it... I know every party has done exactly the same thing in various fashions. That's fine. So some of the people in corporate would say... because this is a political thing and in Ottawa this is political, in Toronto it's not. But in Ottawa it's political, so they would say, "If you really don't want to, you don't really have to." But I'm not used to getting summonsed.

Hon. Karen Redman: Mr. Lowry, I don't mean to be rude, but my time as well is limited. The whole reason we're undertaking this investigation is that it was Elections Canada that flagged this. This isn't something that was brought forward by the other three parties here. This was something Elections Canada brought forward.

In their affidavit you're quoted as saying, "There was no discussion pertaining to the advertising or its benefit to the Goldstein campaign" between yourself and the Conservative Party, and that you were "simply instructed to post the funds as an advertising expense", and that's what you did. My question to you is, who directed you to post the funds as an advertising expense?

Mr. Douglas Lowry: I received the letter probably from the treasurer. I'm not really sure of his name. I gave all my documents to Elections Canada; I don't really need them. I received something from what I call corporate—I mean headquarters, whatever headquarters is.

Hon. Karen Redman: Were you aware of the arrangements between Retail Media and your campaign that encapsulated just short of \$50,000 in media buy attributed to your riding?

Mr. Douglas Lowry: No, of course not; it wasn't until afterwards.

Hon. Karen Redman: I have two receipts here that I'd like you to look at. One has a list of several ridings. Interestingly enough, one of them is Kitchener Centre, which is my riding, as well as Trinity—Spadina. They appear to be on Retail Media letterhead. And you've seen neither of these?

• (1510)

Mr. Douglas Lowry: They arrived afterwards.

Hon. Karen Redman: They're dated January 1, 2006, which was well before election day.

Mr. Douglas Lowry: It doesn't really matter. I had no input. I didn't pick the radio stations. I didn't pick the ads. I didn't hear the ads. I didn't do anything about the ads. That was contracted out to Retail Media.

If that's in the Elections Act, maybe the next time around that's what we'll have. All the CFOs will have to come into some committee to hear election ads. Then they'll be able to say, "Yes, we've heard them all." If it's the process, then the process can easily be changed.

Hon. Karen Redman: Mr. Lowry, I'm sorry to interrupt again. You suggested that it would be a really good idea to read the Elections Act. In subsection 438(4) it stipulates:

No person or entity, other than the official agent of a candidate, shall pay expenses in relation to the candidate's electoral campaign except for petty expenses referred to in section 411 and the candidate's personal expenses.

Subsection 438(5) states:

No person or entity, other than a candidate, his or her official agent or a person authorized under paragraph 446(c) to enter into contracts, shall incur expenses in relation to the candidate's electoral campaign.

From what you're describing to me, the central party entered into an electoral expense under which you had no control. You had no control over the funds, and you did not enter into the Retail Media buy. Is that a fair depiction of how you've presented this?

Mr. Douglas Lowry: The short answer is yes.

Hon. Karen Redman: Thank you.

The Chair: The next questioner is Mr. Del Mastro. But first, Mr. Lowry, I'm not familiar.... I've been following politics since 1980; I was a candidate in 1980 and have been through seven elections. We don't refer to a corporate HQ.

You are a Toronto resident.

Mr. Douglas Lowry: Yes, sir. The headquarters of the Conservative Party is in Ottawa.

The Chair: You're talking about the national office of the Conservative Party of Canada.

Mr. Douglas Lowry: Right.

The Chair: Because the provincial wing of each of the national parties is in each province. Liberals have LPC(O), Liberal Party of Canada (Ontario). They are located on St. Mary Street in Toronto. But the Liberal Party of Canada's office is here.

So it is important to know. You're talking about the national offices of the Conservative Party of Canada. Do you visit there often?

Mr. Douglas Lowry: Of course not. Why would I visit them? I'm a member of the Conservative Party in a riding. The riding reports to, eventually.... There's an executive director.

The Chair: Sir, maybe I misheard you.

Mr. Douglas Lowry: The executive director is the person who decides all this sort of stuff.

The Chair: The executive director of...?

Mr. Douglas Lowry: The Conservative Party would decide, have input into elections, finance them—the nature of the elections from a national perspective. It wouldn't be an Ontario thing: "Gee, we're only doing Ontario buy-ins."

If you look at the 2005 results in Quebec, we were lousy. We did a lot better in 2006. In a lot of our campaigns we were under the 10%, which means it's hard to get money, it's hard to get candidates, and it's hard to do everything else. So with long-term thinking, what do you do? What part of the 60% is malleable?

The Chair: So in answer to the question Madam Redman posed to you about who told you that you didn't have to attend, you're now saying it was the executive director of the Conservative Party of Canada.

Mr. Douglas Lowry: I'm saying that the executive director would have a war cabinet, a war cabinet would report to whatever, and they would do various strategies. There are people who do media buys. We have a number of lawyers, we have a number of accountants, we have a number of corporate people doing corporate stuff, and that's what they do and that's what they're supposed to do. That's why we pay them, and that's why we expect them to be working for us.

The Chair: Okay. Thank you kindly.

Mr. Del Mastro, please.

• (1515)

Mr. Dean Del Mastro: Thank you, Mr. Chair.

I'd like to come back to Mr. Lowry again, if I could.

Mr. Lowry, it may surprise you to learn that I've been elected since January 23, 2006, and since that time I've never been to the Conservative Party head office—never. So I can say the Liberal Party has been there more than I have been. I don't know how they knew to go there, but the chair's question is a little bit strange, considering that I don't even know where it is in Ottawa. I understand it's not far, but I have never been there. I've never had any cause to go.

Have you ever worked on the national campaign? Have you ever been part of the national campaign team, kind of the war room that works here in Ottawa?

Mr. Douglas Lowry: No.

Mr. Dean Del Mastro: So in regard to the questions he's asking you about, you don't really know a great deal about them, do you?

Mr. Douglas Lowry: Well, I know of the national team, and I know that a number of people have been through Trinity—Spadina who have been on these various campaign-type things. That's where they go.

My riding has a wonderful array of talent. There's great talent. But during campaigns, we split across Canada in order to help the party in general and then come back.

Mr. Dean Del Mastro: I just want to say a couple of things to you.

First of all, I think you can be very proud of a couple of things. You never broke any law. You did not. In fact, even the Chief Electoral Officer of Elections Canada, Mr. Mayrand, came in and said we're really just discussing a different interpretation. They have a different interpretation of the law than we do. Our interpretation happens to be the same as the opposition parties, the members of the jury here at the kangaroo court, but it's somehow different from Election Canada's interpretation of the law.

I would like to ask you a question, if you're aware, and maybe you'll follow this a little bit.

One of the things that happened to me in the last campaign—and I'll never forget it—was that I was at my campaign office and a woman walked up to me. She was probably close to 80 years old. She walked from the other side of town to give \$20 to my campaign. I'll never forget it as long as I live.

The Conservative Party has been pretty successful in raising money, haven't they?

Mr. Douglas Lowry: Extraordinarily successful.

Mr. Dean Del Mastro: And that's because people believe in the Conservative Party and what we stand for, isn't it?

Mr. Douglas Lowry: Yes, and we have a system in place that really helps.

Mr. Dean Del Mastro: So based on people like this senior lady who came and gave money to me, the Conservative Party had money to invest into ridings, didn't they?

Mr. Douglas Lowry: That's correct.

Mr. Dean Del Mastro: They helped candidates out, like the ones in Trinity—Spadina?

Mr. Douglas Lowry: That's correct.

Mr. Dean Del Mastro: And there's nothing wrong with that, is there?

Mr. Douglas Lowry: That's the great thing about them in the party.

Mr. Dean Del Mastro: When you signed up to be on a campaign team, you kind of thought the national party might actually know that you were there, right?

Mr. Douglas Lowry: Well, they know that we're there, but they don't spend that much money, though.

Mr. Dean Del Mastro: No, exactly. But you do expect them to know that you're there and that you're working for them, and that you're standing for the high principles that the party stood for in the last election.

Mr. Douglas Lowry: That's correct.

Mr. Dean Del Mastro: Exactly.

Do you know how far the riding of Toronto—Danforth extends east?

Mr. Douglas Lowry: I think it goes to about Jones Avenue, or something like that.

Mr. Dean Del Mastro: Jones Avenue?

Mr. Douglas Lowry: Yes.

Mr. Dean Del Mastro: It wouldn't come to Lock Street in Peterborough, or George Street in Peterborough?

Mr. Douglas Lowry: No.

Mr. Dean Del Mastro: Can you explain to me how Jack Layton's signs were on those streets?

Mr. Douglas Lowry: They printed a lot of signs and they went up around the province. But no, I don't.

Mr. Dean Del Mastro: Oh, okay.

That's great. I have nothing further.

Mr. Douglas Lowry: I saw them all over Toronto and all over the province.

Mr. Dean Del Mastro: Thank you.

The Chair: Thank you.

Monsieur Nadeau, s'il vous plaît.

Madame Lavallée will take the turn? Thank you.

[Translation]

Mrs. Carole Lavallée: First of all, and most importantly, and I am saying this not only for the official agents but also for the candidate, I must tell you that I have a great deal of respect for party members who decide to get actively involved in politics and particularly for those who decide to work as an official agent in a riding.

Everyone around this table has had an official agent in his or her riding and knows just how demanding the task is and how much effort is required, perhaps more than any other tasks performed by the members of our riding executives.

We also know that these people have a great deal of integrity and try to perform their tasks to the best of their ability. That is why the political parties generally give them good training.

My question is particularly intended for Mr. Lowry. Did you receive training from the Conservative Party?

● (1520)

[English]

Mr. Douglas Lowry: Yes, I have. I've actually been a special agent for the past eight years. I've done about eight elections provincially and federally, so I have gone through training courses.

We actually have a training college. Now we have one in Scarborough, but it used to be just south of Barrie. So I went to Barrie a few times, or just south of Barrie, in Peter Van Loan's riding. We have a variety of training facilities.

[Translation]

Mrs. Carole Lavallée: You were given training as an official agent and you were made aware of the federal act of 2006. Is that right?

[English]

Mr. Douglas Lowry: That is correct.

[Translation]

Mrs. Carole Lavallée: Did you feel supported by the Conservative Party?

[English]

Mr. Douglas Lowry: Yes, of course. We push training.

[Translation]

Mrs. Carole Lavallée: You trusted the party leadership.

[English]

Mr. Douglas Lowry: Yes.

[Translation]

Mrs. Carole Lavallée: You appear to still trust the party leadership.

[English]

Mr. Douglas Lowry: That is correct. I am the president right now.

[Translation]

Mrs. Carole Lavallée: During your training, were you told that as the official agent, you would have to approve all expenditures?

[English]

Mr. Douglas Lowry: Oh yes.

[Translation]

Mrs. Carole Lavallée: Did you tell the members and your candidate that it was prohibited to commit expenses without first speaking to you about it? Did you say that at least once?

[English]

Mr. Douglas Lowry: No, I have never done that. The candidate does the candidate's stuff. He shouldn't be in the financial stuff unless he's doing a fundraiser, but for the most part he's out on the doors, out on the phones, doing something else other than administrative stuff.

Candidates shouldn't necessarily know. All he has to know is that we followed the rules, that they were audited, and that—

[Translation]

Mrs. Carole Lavallée: I'm sorry for interrupting you, but my time is limited, Mr. Lowry. I would like to get to the point.

Was it explained to you that you were the only person who could approve expenses and that the approval of expenses required familiarity with the documents and expenses in question, including signing a contract and receiving an invoice from Retail Media, in the case of concern to us, and that you would pay that invoice? Did anyone from the Conservative Party explain that to you? Was it explained to you? Who in the Conservative Party explained it?

[English]

Mr. Douglas Lowry: Oh yes.

An hon. member: Order, Mr. Chair, please.

Mr. Douglas Lowry: The answer is yes. In the training process, we have Elections Canada guides to dos and don'ts. All the dos and don't are in here. It's a relatively simple process.

[Translation]

Mrs. Carole Lavallée: Perfect. We have the same documents. I will continue.

Why did you agree to receive money from the national party and to return it as payment for an invoice that you did not choose, discuss, sign or approve?

[English]

Mr. Douglas Lowry: It's because the purpose of it was for advertising, and advertising has always been a little strange thing, because.... How does a person vote? Does a person vote on the basis of the candidate or for the party? In the past number of years, we've gone more towards the party and less towards the emphasis.... So advertising is this funny little thing, and it fits into the 60% part that says you get a refund back.

Since it was going to advertising, I said yes. And I sent the money back.

[*Translation*]

Mrs. Carole Lavallée: You said earlier that it was in the long-term interest of the party. Are you aware that it was not legal to do so? Do you realize it now?

[*English*]

Mr. Douglas Lowry: No, I don't believe it's illegal.

The Chair: *Merci, madame.*

Mr. Del Mastro.

Mr. Gary Goodyear: I had a point, Mr. Chair.

The Chair: Oh, I apologize.

Before you start, Mr. Del Mastro, we have Mr. Goodyear on a point of order.

Mr. Gary Goodyear: And it is a point that... I respect the chair and the fact that you didn't recognize me during the questioning, but Mr. Chair, but I believe that Ms. Lavallée, quite probably unintentionally, was misleading the witness as to what Elections Canada's rules are, and I was concerned that through the translation Mr. Lowry may not have completely understood that in fact she was rambling off a couple of rules that are not in Elections Canada and was purposely misleading. But I doubt that....

That is over now; I'm good.

Thank you.

• (1525)

The Chair: Okay. That's not a point of order.

Mr. Del Mastro, please.

Mr. Dean Del Mastro: Okay, great. I wanted to follow up on something that came up earlier.

Mr. Lowry, the expenses for the regional media buy that you identified and submitted to Elections Canada, you declared these were expenses of the Trinity—Spadina EDA. Correct?

Mr. Douglas Lowry: Correct.

Mr. Dean Del Mastro: And that didn't violate the Elections Act, did it?

Mr. Douglas Lowry: No. As a matter of fact, it was audited. I have my audit letter, and it says it's fine.

Mr. Dean Del Mastro: Right. Obviously there was advertising money spent in support of the Trinity—Spadina EDA for the Conservative Party. Correct?

Mr. Douglas Lowry: That's correct.

Mr. Dean Del Mastro: Thank you.

Mr. Douglas Lowry: Or even if it was just about the Conservative Party. You could argue that even if it was just for the Conservative Party, it was a national ad, one of more ads on TV. You might say that by throwing these ads on TV, just like they do down in the States, they're much more effective. To get my candidate elected legally, that's what we're here for.

Mr. Dean Del Mastro: Right. I would say there is a distinction, so what we're talking about is that there were regional buys in Trinity—Spadina that supported the Trinity—Spadina campaign.

Mr. Douglas Lowry: There are regional buys, there are national buys, there are local buys. There are all kinds of buys. There's all kinds of money spent on advertising during an election campaign.

Mr. Dean Del Mastro: Yes, elections are a big deal, aren't they?

Mr. Douglas Lowry: For the advertising business, but I'm in the banking business.

Mr. Dean Del Mastro: Very good.

I'll pass the rest of my time to Mr. Goodyear.

Mr. Gary Goodyear: Thank you.

Again, Mr. Lowry, thank you very much for your testimony.

Would you agree that regardless of what the advertising buys are, and regardless of whether they're advertising the leader or whatever, it ultimately is the local candidate who benefits? Can the national party get a vote on election day?

Mr. Douglas Lowry: In the last elections for the PC Party in Trinity—Spadina before it merged, I spent \$5,000 on a campaign. The guy only got votes because there was a national campaign. Five thousand dollars just doesn't do it.

Mr. Gary Goodyear: There you go. Thank you.

I need to ask you one other question, sir. You were summonsed to be here?

Mr. Douglas Lowry: Yes.

Mr. Gary Goodyear: At any time, did the bailiff or anyone from the chair's office inform you of your rights under the law, that you have the right to have counsel present here today?

Mr. Douglas Lowry: I doubt it.

Mr. Gary Goodyear: Thank you.

The Chair: Thank you.

Mr. Martin, please.

Mr. Pat Martin: Thank you, Mr. Chair.

Mr. Webber, you were the official agent for Mr. Marler. Did you share Mr. Marler's views that what the party was asking you to do, accepting money into the account and then spitting it right back out, didn't pass the smell test as far as you were concerned?

Mr. David Marler: I did not testify to that effect. I did not say that.

If you want, ask me the question again, but I did not say anything about the propriety of what I was asked. I simply said "I refuse" because I didn't understand what I was being asked. If I was unclear, I apologize to the committee.

Mr. Pat Martin: Well, let me rephrase that.

Mr. Webber, do you agree with Mr. Lowry's assessment of the practice, the plan, the election financing practice that we're hearing testimony about today, that there's nothing wrong with it?

Mr. Geoffrey Webber: I don't know.

Mr. Pat Martin: You don't know.

Mr. Lowry, who from the Conservative Party spoke to you about whether or not you needed to attend at this meeting? Who specifically from the Conservative Party talked recently about your appearance here today?

Mr. Douglas Lowry: I would have contacted a number of people—the Ontario regional organizers and the Toronto organizers—because, as a president, that's who I contact.

Mr. Pat Martin: So you phoned whom?

Mr. Douglas Lowry: My Toronto regional...Karma McGregor and Tasha....

Mr. Pat Martin: I'm sorry, do you have another name?

Mr. Douglas Lowry: Yes, she's in the Ottawa office here.

Mr. Pat Martin: And did she say that attendance at a parliamentary committee, when you're summonsed, was optional? Who would have given you that impression?

• (1530)

Mr. Douglas Lowry: The first time that I was asked I contacted Tasha and Karma and told them that I wasn't planning on going, but asked what is the opinion of the Conservative Party? Because, after all, when I walk in the door, I'm a Conservative; I'm not an independent. I'm still a member of the party. I happen to be the president of the riding association, so I have a whole bunch of—

Mr. Pat Martin: What did they say?

Mr. Douglas Lowry: I told her I wasn't attending, and they said that was fine.

Mr. Pat Martin: But then you were summonsed.

Mr. Douglas Lowry: Later I asked Carmen, and naturally, in every good organization, one would say that you should all be talking from the same points, and so she said they would give me some points. I didn't get any and decided I didn't want any. Even if she gave them to me, it would never have mattered, because I had made the decision a while ago that in any riding association that's under 10%, or just barely at 10%, you have to do something to get money from the government, a government refund.

Mr. Pat Martin: Okay, fair enough.

Mr. Douglas Lowry: So Carmen told me on Monday that the party wouldn't really be thrilled if I went, and I told her "Tough, I'm going anyway."

Mr. Pat Martin: I see. Well, thank you for that.

Mr. Lowry, when you signed off on your final financial statements that you sent in to Elections Canada for this report, you were swearing and attesting that you believed that everything in there, to the best of your knowledge, was true. How can you say it's true that this \$49,898, or whatever it was, was in fact a local campaign expense?

Mr. Douglas Lowry: Because when I do an election sign, I put down "authorized by the official agent", according to the record.

When I do brochures, I say "authorized by the official agent". And on the media buys I heard on the radio, and on a variety of other things, it says "Paid by Trinity—Spadina Riding Association".

Now, I might argue that by saying "Trinity—Spadina riding", the Conservative riding association doesn't necessarily translate very much into votes for Sam Goldstein, but that's an internal point of view.

Mr. Pat Martin: But with the tag, I think you have a valid point.

But you didn't buy \$49,000 worth of radio ads for Trinity—Spadina, as the rest must have been TV ads or something else?

Mr. Douglas Lowry: I really don't know where they went. All I know is that I had a cap. I used \$50,000 of it. It went into advertising. Retail Media must have put it out. Nobody's gone back to Retail Media and said, you ripped off the taxpayer and you'll be—

Mr. Pat Martin: They'll be here tomorrow.

Mr. Douglas Lowry: They made legitimate buys on the market. I'm sure these were at market prices or whatever the market bears, or whatever discount one gets for elections—

Mr. Pat Martin: I'm sorry to interrupt you, sir, but then do you maintain that the \$49,000 was in fact a local campaign expense as per the rules?

Mr. Douglas Lowry: Yes, as per the rules—although the rules are flexible. To me, the rules are flexible in advertising; they always have been. People in this House have never really defined what is and what isn't, because all ridings associations, all parties had—

Mr. Pat Martin: Although we had the Chief Electoral Officer, sir, as the first witness here, trying to explain very clearly what is a national expense and what is a local expense and that you're not allowed to transfer an expense from one to the other. Money you can transfer, but not the expenses. That's the disagreement here, and maybe it is still a grey area, but it's not coming down very well on the side of the Conservative Party's interpretation now, as the rest of the country seems to understand it.

The Chair: Mr. Hubbard, please.

Hon. Charles Hubbard (Miramichi, Lib.): Thank you, Chair.

Mr. Lowry, you've been a long-time Conservative, I understand, for eight years, and you've been involved with fundraising—

Mr. Douglas Lowry: For about 35 years.

Hon. Charles Hubbard: That's a pretty good start.

When you saw this nearly \$50,000 coming to you, did you ask those who sent it to your association if you could spend it?

Mr. Douglas Lowry: Well, I actually kept it for a week, because when I tried to send it back, the wire didn't work. It's kind of embarrassing, as I work for a bank, and this didn't work.

Some hon. members: Oh, oh!

Mr. Douglas Lowry: So I actually kept the money for a week and then it went back.

Hon. Charles Hubbard: Did you try to spend it? Did you ask if you could spend it? It seemed that you had a need for brochures, that you had a need for advertising.

• (1535)

Mr. Douglas Lowry: I work for a bank. The national party has people who are in the advertising business who do all that sort of stuff. If I were to go out and spend it, I would have to become an expert in advertising. I have a day job at the same time; I have other things going on and volunteer stuff that I do. I'm not going into the advertising business just during a campaign.

Hon. Charles Hubbard: As an official agent, then, did you authorize any group to spend that money?

Mr. Douglas Lowry: When I sent the money back to Ottawa, it was authorized to spend it.

Hon. Charles Hubbard: You authorized the national party to spend it?

Mr. Douglas Lowry: Naturally.

Hon. Charles Hubbard: Why do you think, Mr. Lowry—you talk about your experience in finance—that money went to you?

Mr. Douglas Lowry: It was because in the 2005 campaign my riding association did not receive a refund. That means we had to start from scratch. One year later we had an election. We managed to raise or spend \$21,000. Actually, we ran a deficit for the first little while, but we spent \$21,000. I have \$80,000 in my cap, so net, \$80,000 minus \$20,000 is \$60,000. They came to me because I spent only \$20,000. If I had won or if my candidate had gotten 5% more the last time, I would have had \$40,000—I already had \$20,000—and probably would never have used the buy-in.

Hon. Charles Hubbard: Mr. Lowry, I think what you're telling us is that by channelling that \$50,000 to your account—60% of \$50,000 would be about \$30,000—you, as the president of a riding association, would have gotten about \$30,000, because the money simply moved through your account.

Mr. Douglas Lowry: That's correct, but those are the rules.

Hon. Charles Hubbard: Do you think, Mr. Lowry, that's ethical?

The Chair: If you ask me about ethics in Ottawa, I don't think it's ethical that when I was a CFO you'd get a 75% tax break for donating \$100 to a party and when I donate to the United Way I only get 29%. I don't think that's ethical. There are so many things about this place that I don't think are terribly ethical. But they're the rules that exist.

If you want to change the rules, I would love you to change those rules. I would love you to do that sort of stuff—

Hon. Charles Hubbard: Mr. Lowry, you're saying to me and to the committee today—

Mr. Douglas Lowry: —but since you guys make the rules, there are bound to be huge grey areas you can drive a truck through.

Hon. Charles Hubbard: Basically, whether either it was illegal...

Mr. Goodyear, I didn't interrupt you. I listened to your baloney, we'll call it, for 25 minutes this afternoon. I didn't interrupt you, with great patience. Why do you get back at me? I have five minutes.

The Chair: Order, please.

Everything is going fine. Mr. Hubbard, you are quite right, sir. Carry on with your questioning, sir.

Hon. Charles Hubbard: Thank you, Mr. Chair.

This \$30,000, you're saying, wasn't ethical. It maybe was not legal, but your association would have had a \$30,000 bundle of money to get ready for the next election. Is that correct?

Mr. Douglas Lowry: My two opposing candidates are probably Tony Ianno and Olivia Chow, at the moment. They both have \$80,000 to spend. I don't have that. They already have \$80,000 because they got over 10%. They're already up to their caps. They're going to spend \$80,000.

For my election, which I have to fight on behalf of the party with the most seats, I have \$20,000. Is it ethical that they have such a huge advantage over me that they can do literature five or six times and I can barely do it twice? Is it ethical?

It's the rules. Do I like them? Do I want to change them to make sure that my party and every other association has a reasonable chance of winning? You know that part of winning is money.

Hon. Charles Hubbard: The final point I want to make is that your national party apparently has about \$20 million. They sent you \$50,000 in this hand and they want it back in the other hand. It must be a pretty poor family that you're part of.

Thank you, Mr. Chair.

The Chair: Mr. Goodyear, please.

• (1540)

Mr. Gary Goodyear: Are there any more speakers, Mr. Chair?

The Chair: You are on the list.

Mr. Gary Goodyear: Are there any other ones on the list, Mr. Chair?

The Chair: Mr. Proulx.

Mr. Gary Goodyear: Actually, Mr. Lowry, I want to congratulate you. I think you have a very solid common-sense approach to the situation. I think you already know you did nothing wrong. Elections Canada has always allowed for the transfer of money back and forth. The implications by the opposite party and the attempts to catch you in a snag are shameful.

I want to suggest to you that you have every right to spend every darn cent on advertising or anything you want. If you want to spend the wad on buttons, if that's how you feel you can get elected, that's your God-given right and it is the law. It's perfectly legal. I congratulate you. I appreciate your testimony.

I did have some questions, sir, but I think they're grilling you hard enough and I'm just going to pass my time over to Mr. Tilson.

Mr. David Tilson: Mr. Lowry, if you ever decide to move to the country, we'd love to have you in Dufferin—Caledon.

That's it.

The Chair: Mr. Proulx, you're next, sir.

Mr. Marcel Proulx: Thank you, Mr. Chair.

Mr. Lowry, may I ask your opinion, sir, in regard to limits? Why do you think there are limits in the election law as far as expenses that are permitted to candidates or to a national party are concerned?

Mr. Douglas Lowry: For \$80,000 per riding association? Why is there a limit? Because it's so many per vote. It's supposed to give equal opportunity for each of the registered parties, that they can spend the exact same amount of dollars per vote.

That's a wonderful theory. The problem is what happens if you don't have that kind of money. If you look at most elections, if you don't spend well past your cap, if you don't get a refund, you're not likely to get elected unless there's some wave. Years ago, the NDP were elected in the Ontario Legislature. There were people who had spent hardly any money, but there was this wave that went through and they all got elected.

If you don't spend a reasonable amount of money, you don't get elected, or it's extraordinarily tough. It's not impossible, but it's tough.

Mr. Marcel Proulx: Regarding the company, Retail Media, you answered my colleague Ms. Redman a little while ago that you saw the invoices or the bills after the fact or after the election.

Mr. Douglas Lowry: Because they didn't really affect me, I would have gotten them in the mail, thrown them in the folder, and said, "Well, that's nice."

Mr. Marcel Proulx: Was there ever any discussion or negotiation between you and Retail Media during the campaign, sir?

Mr. Douglas Lowry: I have no idea who Retail Media is, nor have I really cared about it. I'm sure that likely some of the principals are members of the Conservative Party; at least I hope they would be. Just like every other party, the Liberal Party has an agency, and the NDP has an agency.

Mr. Marcel Proulx: What I understand from you, sir, and correct me if I'm wrong, is that you received electronically \$50,000 in the bank account for your candidate.

Mr. Douglas Lowry: Yes.

Mr. Marcel Proulx: That \$50,000, a week later, as you explained

Mr. Douglas Lowry: It was supposed to go back the same day.

Mr. Marcel Proulx: Okay.

Who asked you to send it back the same day, the headquarters?

Mr. Douglas Lowry: Yes.

Mr. Marcel Proulx: But it went back a week later.

Mr. Douglas Lowry: The Christmas holidays were on Tuesday and Wednesday, so I obviously went on holidays, took a day off, came back, looked at the bank account, and went, "Oh."

Mr. Marcel Proulx: Okay, so you sent it back a week later.

Mr. Douglas Lowry: Yes.

Mr. Marcel Proulx: Therefore, I can understand that you had no control over that \$50,000, how it was spent, how it was paid to anybody. You just sent it back to the party, right? You had no control over it.

Mr. Douglas Lowry: That's correct.

Mr. Marcel Proulx: Tell me, why do you think the party needed to send it to you and for you to send it back, if they were going to use it for national advertising?

You testified a little while ago that as far as you were concerned it was all an advertising priority; advertising was the big thing in the campaign. Why would the national party need to send it to you so that you could send it back to them, if they were going to use it nationally?

• (1545)

Mr. Douglas Lowry: Because advertising is part of what Elections Canada pays—of the 60%. If you take the variables and which ones pay 60%, advertising is the easiest one to use.

Mr. Marcel Proulx: In other words, you're telling me the fact that it transited within your account allowed the national party to claim back 60% from Elections Canada.

Mr. Douglas Lowry: If my riding association had been over 10% of the vote, then I would claim it; the cheque would go to me.

Mr. Marcel Proulx: You would have received the 60% of the \$50,000, which was \$30,000.

Mr. Douglas Lowry: Plus some of the other expenses.

Mr. Marcel Proulx: Yes, of course. But on that \$50,000, you would have got \$30,000 back—

Mr. Douglas Lowry: That's correct, \$30,000.

Mr. Marcel Proulx:—without touching it, except for returning it electronically, without using it in your publicity campaign, without doing whatever.

Mr. Douglas Lowry: Yes.

Mr. Dean Del Mastro: I have a point of order.

The Chair: Carry on. I will deal with it after the questioning is over.

Mr. Marcel Proulx: So that's what you're telling me, sir, right?

Mr. Douglas Lowry: That's the way the system works, yes.

Mr. Marcel Proulx: Thank you. I have no more questions.

The Chair: Mr. Del Mastro, on a point of order.

Mr. Dean Del Mastro: Thank you, Mr. Chair.

The witness very clearly said that the funding was used for advertising purchased in support of the Trinity—Spadina campaign. He did not say it was for national media, and Mr. Proulx well knows that. Mr. Proulx is attempting to put something into the official record that was not said.

The Chair: Mr. Del Mastro, I'm going to remind you, sir, that when you call a point of order you are stopping cold the proceedings of this committee. You intended to do that so you could give your opinion in debate. It is not, as you know, sir—

Mr. Dean Del Mastro: I was not...*[Inaudible—Editor]*...I was restating a fact—

The Chair: Excuse me, sir. Excuse me. You may want to consult with Mr. Goodyear, who said, “Paul, please, it's debate; shut him down.”

Having said that, it is not a point of order, sir. It was debate on a point that Mr. Proulx said.

Thank you for your opinion, but it is not a good idea to disrupt the entire committee proceedings on debate. All members should remember that.

Okay. We're moving now to Mr. Goodyear.

Mr. Gary Goodyear: I have one very quick question, and then I guess we're done here.

But for clarification, Mr. Chair, I never said “shut the member down”.

Mr. Lowry, you received money from the national party and then sent it back to the national party to participate in a regional buy that is perfectly legal. All parties do this.

You testified earlier that if it wasn't for the national advertising that was going on, you may not have received any votes. One of my colleagues opposite is trying to suggest that there was no value for this money, when I believe there is clearly a value. I get a lot of value in my riding when my leader is advertised on TV. The strength of his leadership helps me in my riding.

Do you not believe that there was significant value in this advertising campaign?

Mr. Douglas Lowry: One never knows how much advertising works, except that you have to do it. If you don't do a lot of it, then you're likely going to lose.

On the byline it said the riding of Trinity—Spadina. There were others, but would it have been more effective if it had said Sam Goldstein, Trinity—Spadina? I don't know; I'm not in advertising.

My vote is already made. It's going to be a Conservative. The next election's a Conservative; mark it off.

Does all advertising help? Of course it does. Did people who had never met Sam vote for my candidate? I certainly hope so. Did the Conservative Party reach out to areas where traditionally it didn't? Yes. Does it continue to do that? Yes. I never used to hear ads on Q107. Does advertising do something? Yes, it does something. I would have liked it to push us up to 10.2%.

•(1550)

Mr. Gary Goodyear: Sir, I appreciate your answer, and again, I want to say you're absolutely correct that advertising does work. There is an effect. Even though people see advertising about the great leadership of Mr. Harper, in my riding anyway they can't vote for Mr. Harper; they have to share that vote with me. So any advertising on any level in my riding will help me.

I want you to feel assured of a couple of other things. Jean-Pierre Kingsley, the previous Chief Electoral Officer, stated very clearly that the content of the ad is not relevant. So the fact that it's national or local isn't the issue. What also has been talked about is the tag line you did. We have evidence that a number of the members opposite didn't even use a tag line. The tag line is what you need to do, and congratulations, you absolutely did follow the law.

That ends my questions, Mr. Chair.

[Translation]

The Chair: Mr. Nadeau, please.

Mr. Richard Nadeau (Gatineau, BQ): Thank you, Mr. Chairman.

Good day, gentlemen.

Mr. Lowry, I would simply like to remind you that of the 15 political parties that contested the last elections in 2006, only one is being investigated by Elections Canada, an investigation that concerns 67 of its candidates, and that is the Conservative Party.

I get shivers down my back just listening to you. You are telling me that you have to buy an election in order to win it. You are saying that without the 60% reimbursement of your expenses when you win 10% of the votes in your riding, it makes it more difficult to win.

I'll have you know that we are in politics and that we are in a world of ideas. Your way of viewing the campaign and the way the people opposite are trying to cover what you are saying does not amount to bending the law, but trying to break it.

How can you tell me that spending on advertising is legal when you did not even sign the advertising contract yourself, and were asked to return \$50,000 — money that you received from and then returned to the national party?

[English]

Mr. Douglas Lowry: First, I did not say you had to buy an election. As a matter of fact, if you spend too much money you'll probably lose. Hillary Clinton spent a lot of money and she lost. Just because you spend money doesn't mean you win. Last year I was part of the "no MMP" vote. We spent \$15,000. The opposition spent \$300,000. We won 60% of the vote handily. So you don't have to spend money to win.

But if you don't have money it makes it an awful lot harder. You'd better have an extraordinary number of volunteers. You'd better have extraordinary people who are really committed and can somehow take time off to spend hours and hours on the campaign. So money is not the only issue.

But if the other two parties start with \$60,000 and you start with \$10,000, chances are it's going to be an awful lot harder. If you start with \$30,000 and they start with \$60,000, then it's a fair ball game. Any independent small-business person will tell you that. It's not any different.

[Translation]

Mr. Richard Nadeau: Mr. Lowry, that's your way of seeing things. It is true that you need members to win an election. However, by agreeing to exchange \$50,000 to enable you, if you were to obtain 10% of the votes, to have more money in your campaign fund for the next election, you broke the election rules.

Did you sign the advertising contract for which you were asked to return the \$50,000 to the national party? Did you sign an advertising contract?

[English]

Mr. Douglas Lowry: I did not sign the advertising contract. And for the \$50,000, I don't consider it cheating, because that's part of the rules. The rules say you get a refund of 60% of your expenses. Take a look at what the 60% is. Part of it includes advertising. Advertising was never defined. The act was changed a little while ago under Mr. Chrétien. He had a chance to define it.

• (1555)

[Translation]

Mr. Richard Nadeau: Thank you, Mr. Lowry. We have understood your approach. I will now speak to Mr. Marler.

Mr. Marler, you were asked to participate in the process and you refused. Did you ever feel forced to take part?

Mr. David Marler: No.

Mr. Richard Nadeau: Thank you.

[English]

The Chair: Madam Redman, please.

Hon. Karen Redman: Thank you.

Again, gentlemen, I want to thank you all for being here today.

I'd like to go back to Mr. Marler and Mr. Webber, if I could, just for a moment. And I'm looking at a CanWest report of some of your comments. This is attributed to organizers in the Conservative Party:

There were only two outright refusals—Beauce and Brome—Missisquoi. We have discussed and understand Beauce but what is with Brome? Why should they be allowed to outright refuse?

I want to go back, Mr. Marler, to your comments that you weren't going to participate in something you didn't understand. And I just want to underscore that there is a construct within which all of us operate, regardless of party affiliation or indeed even independence, through the rules that are set forth by Elections Canada. And I know you've both come a long way and you've sat here thoughtfully today and listened to all of this. So I would just like to hear your reaction.

I mean, being a candidate, you sign off on your return. Being an official agent, you sign off on that return. So this is a very serious matter; it has very serious repercussions. Elections Canada has referred this whole matter, as we know, to be investigated and it's before the courts. So I don't want you to comment on that piece of it, other than to talk about the fact that you were willing to refuse what you were being asked to do by your party brass, by the higher-ups, by the national mechanism, because it was not being explained to your satisfaction.

I wonder if you can comment on the responsibility, the onus on people who sign off on these things, to understand completely what it is they're undertaking.

Mr. David Marler: All I can answer to today are questions of which I know the facts. I do not believe it is my role here today, or at all, to comment upon other people's behaviour or to guess why they did what they did. All I know is why I did what I did. And it was, as I said before, because I did not understand what the purpose of the money was.

Now, I'll go a step further. I was aware.... And I by no means claim to have the experience that Mr. Lowry has, for example. This was my first time around. I was, in fact, stunned by the amount of stuff I had to know generally to try to get elected. And I didn't learn very much of it along the way, but I learned something. But what I did know—and this had nothing to do with being in an election campaign—or what I innately felt was that you don't let people put money into your account and then take it out again, whoever they are, without knowing what the purpose is. And that was my problem.

So I am not going to comment upon the legality of what I was asked to do, because I don't think that is my role, number one; and I haven't done the study necessary to understand whether it's legal or not. Somebody else will sort that out.

If my mother had asked me to take money in and send it back to her, I might have said yes, because I have a great respect for my mother, but if my brother asked that, I'm not sure I'd say yes.

Hon. Karen Redman: Thank you.

Mr. Webber, would you like to comment, as an official agent?

Mr. Geoffrey Webber: There are two things. One of them is this business about signing invoices and making sure that an invoice actually was received for services rendered. I think that's very, very important.

The other thing I want to mention is this business about being summonsed rather than being invited. And in the conversation I had with...I believe it was the bailiff who phoned me and asked me to attend this meeting, I said, "Well, I don't have a whole lot to offer, because we didn't participate in the thing. I was not part of the discussion. I sent a couple of e-mails to that effect." But as part of the discussion I said, "So what happens if I decide not to come?" He said, "Well, I could send you a summons if you like." But that's how it was worded: "if you like".

I'm self-employed so I didn't need a summons in the sense of having to show something to my employer as to why I was taking off for the day, and that was the way I accepted it. I didn't feel I was being intimidated. It sounded sort of like he'd help me out if I needed it. It was sort of strange.

• (1600)

Hon. Karen Redman: Thank you all for coming and adding to this discussion.

The Chair: Mr. Martin, please.

Mr. Pat Martin: Very briefly, I have a couple of cleanup questions.

Mr. Marler, in the same interview that I think Madam Redman was making reference to in the *Gazette*, you summarize in an interview you gave, and you are quoted. I'll ask you if this quote is accurate, but it says:

Mr. Marler remains convinced the decision he took [to not participate in this] was the same one "any honest or straightforward person would take".

Does that accurately reflect how you feel about what you were asked to do?

Mr. David Marler: In a sense, yes, but in another sense, no.

I was asked to do something, the purpose of which I did not understand. I was also aware that I was responsible, along with my official agent, for what went on in that account. If I didn't understand what was going on in that account, I was not going to approve it. I didn't care what it was. To me, it wasn't a question of a legality or morality at that point; it was a question of the fact that I didn't understand. So that summary, which comes from the press, of that particular article is true to the extent that I don't think anybody would do something in respect to their bank accounts or allow something to happen if they didn't understand what it was. That's all.

That question, if I recall, was preceded by the fact, "Well, Mr. Marler, is that because you're a lawyer?" That's why I emphasized, no, it's not because I was a lawyer; it's because I didn't understand what the party was asking me to do or what the result of it would be. And I don't think that morality or legality at that point entered into my head, because I didn't have the information or the knowledge to consider that. All I knew is that, as I have said before, I would not accept anybody running money through my account, with the exception perhaps of my mother, without knowing what the purpose was.

Mr. Pat Martin: From your mom, I understand.

Did you ask Mr. Bouffard, "Are you sure this is legal?" And did he assure you that it was okay?

Mr. David Marler: I might have got to that point if I had understood what the purpose was, but I never knew what the purpose was. So I said no, because I was not prepared to accept to do something if I didn't know what the purpose of it was.

Mr. Pat Martin: Again, you're quoted in this interview as saying—this is in quotation marks and you can verify the veracity of it:

I said: "What's that about?" He said: "Don't you worry about it. It's just going to happen and it has nothing to do with you." I said: "It does have something to do with me because that is my campaign account and I've got to make sure it is managed properly."

He said: "This is the party speaking, Mr. Marler. We do what we like." I said: "I'm sorry, I'm not going to permit that to happen unless I understand exactly what it is."

Is that pretty much accurate?

Mr. David Marler: If you were to ask me what my verbatim conversation with Mr. Bouffard was at the time, I would say that was it.

Mr. Pat Martin: Fair enough. Thank you very much.

Mr. Lowry, you did share with us that you spoke to two Conservative Party officials about how they felt about your coming here, I'll put it that way. You also said very briefly that you were advised or given some talking points or notes or advice about some things they may or may not want you to say.

Can you elaborate on what sort of things the Conservative Party told you about what they would like you to talk about or what they might not like you to talk about at this hearing?

Mr. Douglas Lowry: When I called the regional organizers, because I'm a member of the Conservative Party, when I walk through the door representing the Conservative Party, they said maybe you need some talking points.

Mr. Pat Martin: Such as?

Mr. Douglas Lowry: But I didn't get any. I thought they would e-mail some to me. That's reasonable, probably something to do with some of the stuff that was in the press. I'm sure the gentlemen across the way from you, the kinds of comments they think...or what the party in general thinks about this committee, something of that nature. And that's all public knowledge.

I'm not in that game. I'm in Toronto. I work for one of the banks. I go to the bank, one of the offices across the street, and I worry about more than I do here. That's my business. But when I walk in the door, I'm a member of the Conservative Party, and presumably the Conservative Party has a viewpoint.

• (1605)

Mr. Pat Martin: You were called here as the official agent for Mr. Goldstein's campaign, actually.

Mr. Douglas Lowry: But I'm also—

Mr. Pat Martin: The last question I would have, then—just so I understand you completely—is that, first of all, you believe the roughly \$50,000 worth of advertising buy was legitimately a local expense. I understand that. But secondly, you seem to think it's okay to generate money by simply dropping it into your bank account and pulling it back out for a 24-hour period, and then hitting the taxpayer up for 60% of that money.

Mr. Douglas Lowry: First of all, I didn't—

Mr. Pat Martin: Wouldn't that be wrong? Let's say it was determined—

The Chair: You have to let the witness answer.

Mr. Pat Martin: —that this advertising is not part of the local campaign but is part of the national campaign. How would you feel about that in and out then?

Mr. Douglas Lowry: There are two answers to this. One, as a regular taxpayer, what goes on and how financing gets done in Ottawa...yes, it's weird. As a CFO, it's my responsibility to consider the long-term future of my riding association, and if those are the rules, I'm doing it. If somebody says, "You're absolutely not allowed to do that," then we don't do it. But right now, those are the rules, and every party has some form of doing something of that nature.

The Chair: Thank you.

Finally, Mr. Goodyear.

Mr. Gary Goodyear: Mr. Chair, I think I'll just pass on any questions. I'll take two seconds here to thank the witnesses for coming.

But sir, I do have a point of order after you've dismissed the witnesses. Thank you.

The Chair: Okay.

Gentlemen, as I indicated to you prior to bringing the meeting to order, I would offer you an opportunity, if you wish, to make any closing remarks—briefly, because we're certainly not looking for a speech—if you feel there's something you want to correct, amplify upon, or say to the committee.

And I think it's probably a good time, while you think of what you might want to say, if anything, to deal with a suggestion here about your right to have a lawyer and these kinds of things. I will be responding to the committee very fully on this, but I'm a little concerned that people who are scheduled to be witnesses may be watching this and may all of a sudden be concerned about your legal status here.

As you know, you are here before a committee of Parliament, and as all honourable members know, you are protected by parliamentary privilege. That means that...

Excuse me. Order.

You are protected by parliamentary privilege. I didn't say this at the beginning, which I had said for other witnesses who appeared before us. You are protected by parliamentary privilege, and anything you say cannot be used against you in any other proceedings. So there is no need for you to have a lawyer, and indeed, the clerk points out to me that there is no need for anyone to be apprised of their rights.

With regard to a summons, I know, Mr. Lowry, you did receive a summons. The other two gentlemen did not. Anyone can bring a lawyer with them if they feel that it's necessary. The rules are—if someone is watching and wants to bring a lawyer—that they can, but a lawyer can only advise his client but will not be able to speak and address the committee. So that people will understand, those are the rules.

That said, I'd like to invite you to make any final comments you'd like to the committee, to Canadians. I think maybe I'll just go in order.

Mr. Lowry.

Mr. Douglas Lowry: I'll echo what you just said. I think anybody who is supposed to attend should attend. One of the reasons for what we're doing is that we're trying to elect people to this House. That means we want it to work.

If you don't like the rules, the committee can change the rules. If you want to tighten the rules, that's fine with us. If you want to change everything about it, that's fine with us. But all parties have to do the exact same thing, and right now all parties are using the same type of measures.

The rules were changed a little while ago. That's fine. Change them again. That's your job up here, to make things work.

I happen to be in Olivia Chow's riding. I thought maybe I was in Jack's riding. I don't know.

But if you want to change the rules, please do so.

• (1610)

The Chair: Thank you kindly.

Mr. Webber.

Mr. Geoffrey Webber: In real life I'm an income tax consultant. We have a tax law in this country that is relatively complicated. I was invited to be an official agent for Mr. Marler. I was surprised at how complicated the laws around elections were. In fact, we didn't know what we were doing quite a bit of the time before the election started.

I am surprised, looking back, that the training sessions are given by the parties. It seems to me that if you want to get your official agents trained consistently so they're all reading from the same song book, the parties should pool their moneys or have some kind of arrangement so someone from Elections Canada does the training. At least we'd have their word.

I really feel sorry for Mr. Lowry, because he's been dragged through the coals here and I think he was acting in good faith.

The Chair: Thank you.

Mr. Marler.

Mr. David Marler: Thank you for the opportunity to say something.

There is so much that could be said about so many things. Certainly my agent, Mr. Webber, has touched on things, and I've listened to what Mr. Lowry and the members sitting here had to say. I think my role here—because it's the only thing I can speak directly to—has to be to answer the questions put to me. I hope you consider that I've done that. I do not want to become the judge, jury, and expert witness. I just want, perhaps, this committee to be of value to the nation generally in future elections.

Thank you.

The Chair: Thank you kindly.

I thank the witnesses, on behalf of the committee members, for taking the time to be with us and for your valuable input to the committee's knowledge of what transpired and some of the considerations we should make. I thank you all again. You're now excused.

Mr. Proulx has moved to adjourn.

Mr. Gary Goodyear: I respected the chair and chose to wait.

The Chair: Do you have a point of order?

Mr. Gary Goodyear: Yes.

The Chair: Mr. Proulx, Mr. Goodyear wants one more point of order.

Mr. Gary Goodyear: Thank you, Mr. Chair.

First of all, I don't think that you actually have the right to make commentary as you did five minutes ago. In fact, you're hardly the one to impart fairness. Mr. Lowry was being badgered today by these folks, and you never said anything until we pointed it out. But yesterday you called us on what was definitely not badgering. You asked us to define our points of order before we were allowed to speak, yet yesterday you recognized Mr. Proulx on a point of order, interrupted the questioning, and didn't ask him to define it.

I really don't even know if this is a point of order. Monsieur Nadeau made reference to the fact that we need to have a contract signed. That is absolutely incorrect. It doesn't say anything of the sort in the Elections Act. I would simply like the gentleman to produce that if it's true. I do not know of that. I'm wondering if the member would be kind enough to find such a thing in the Elections Act and provide it to me. That's my point.

The Chair: I'll simply accept that as some input. It is not a procedural point; it's an opinion on the chair. I accept that and thank you.

Mr. Proulx.

Mr. Marcel Proulx: I move to adjourn the meeting, Mr. Chair.

The Chair: We're adjourned.

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