

LEADERSHIP, LOANS, LOOPHOLES

Grassroots fundraising is the next political frontier

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Mark June 2, 2008, on your calendar, folks. That's 18 months after Stéphane Dion won the Liberal leadership. It's also the legal deadline for the 11 Liberal leadership contenders to report to Elections Canada how much progress they've made in repaying approximately \$4.1-million in debts they incurred during the race.

Candidates who haven't repaid their loans (probably everyone except Bob Rae, Michael Ignatieff, and Carolyn Bennett) can ask Elections Canada for another 18 months to raise money or else request permission to default. Neither option is attractive.

Take, for example, the situation of Mr. Dion, who had the biggest debt at the end of the race — \$705,000, of which \$350,000 was borrowed from a single supporter, Mamdouh Stephanos of Montreal. If Mr. Dion asks for more time, he has to continue raising money to retire his own debt in competition with the needs of the Liberal Party. If he asks to write off his debt, he will in effect have accepted a \$350,000 contribution from Mr. Stephanos, far in excess of the \$5,400 contribution limit under which the race was run. The other parties would have fun with that in the next general election.

This odd situation arose out of Jean Chrétien's amendments to the Canada Elections Act that took effect in 2004. Mr. Chrétien's legislation put an inflation-adjusted \$5,000 limit on contributions to leadership races but did not regulate loans, except to require that they be disclosed. The candidates in the last Liberal race gleefully exploited the loophole, borrowing millions of dollars seemingly without worrying about how they would ever pay it back.

Legislation to close the loophole — Bill C-29 — is now before Parliament. It would restrict leadership candidates to borrowing from financial institutions at market rates of interest. No more borrowing money from wealthy friends and family members, no more borrowing money from yourself. The banks might consider lending some start-up capital to a well-connected candidate like Bob Rae or Michael Ignatieff, whose friends could be counted upon to raise money for repayment; but you can be sure they won't be lending to

hopeless also-rans.

If C-29 passes (far from certain in this minority Parliament, where the three opposition parties control the Commons and the Liberals control the Senate), it will have a profound effect on future leadership races. Parliament has already shut down two traditional avenues of leadership fundraising: big corporate donations, which Paul Martin collected in abundance as he overthrew Jean Chrétien, and lavish self-financing, the path Belinda Stronach took in her run for the Conservative leadership. With passage of C-29, the only game in town would be grassroots fundraising of the kind that carried Stephen Harper to victory in the Canadian Alliance and Conservative races — accumulating thousands of small contributions from mom and pop donors.

What would a Canadian leadership race look like in a C-29 world? Without large donations, self-funding or loans, there would be fewer candidates. Only well-known candidates would be able to get start-up capital from banks in order to mail and telephone grassroots members. In the last Liberal race, there were 11 contestants; in the next one there would probably be only three or four at most.

Cutting out the delusional and the self-promoters would make for a more focused race, but it would also interfere with the old game of running for leader to raise your profile and get positioned for a cabinet seat. The exception here may be someone like David Orchard, who already has his own list of dedicated supporters. Mr. Orchard became the kingmaker in the last Progressive Conservative leadership contest; an Orchard-like candidate might play that role in the next Liberal race if there are only two main contenders, e.g., Mr. Rae and Mr. Ignatieff.

Finally, closing down the loan loophole would force candidates to focus their energies on raising money from the grassroots, and there, the Internet is the last frontier. Canadian parties have been successful with direct mail and telephone solicitation, but there has not yet been a Canadian equivalent of the massive flood of money that Barack Obama has unleashed on the Internet.

Canadians are just as wired as Americans, but for some reason have been reluctant to give money online. Necessity, they say, is the mother of invention. With other sources of funding foreclosed, someone's team might finally figure out how to turn the Internet into a major fundraising tool.

ARCTIC SOVEREIGNTY

Canada needs to be on its guard

Something may be rotten in Denmark's invitation to 'talk'

ROB HUEBERT

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Denmark has called a meeting of the five nations that have an Arctic continental shelf. Officials from Denmark, Canada, the United States, Russia and Norway will meet in Ilulissat, Greenland next week from May 27 to 29.

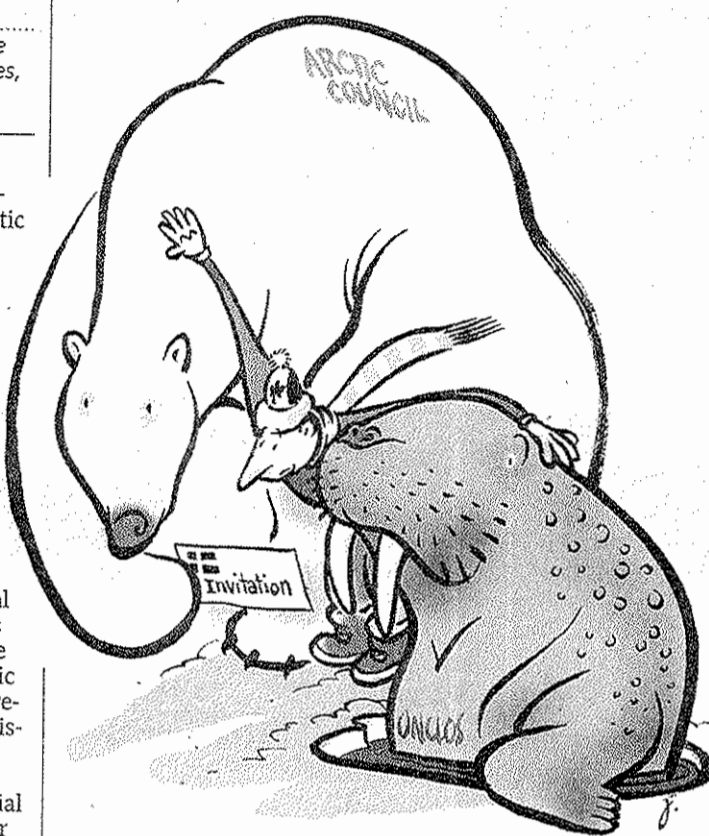
The Danes are being somewhat close-lipped about the purpose of the meeting, but have attempted to portray it as only a meeting of "friends" to discuss potential issues surrounding the determination of the Arctic continental shelf. They have taken pains to argue that there is no race for the resources in the Arctic and that this meeting is merely to discuss possible future issues. Canadians should not believe this for a moment. This meeting has the potential to reshape the entire manner by which the North is governed and divided, and Canada needs to take steps to ensure that this does not happen.

The core of international governance in the Arctic is the Arctic Council and the United Nations Convention on the Law of the Sea (UNCLOS). Canadians can take great pride in the fact that Canadian officials played a critical role in the creation of both institutions.

The Arctic Council was created in the hopes that it would serve as an international body to facilitate co-operation between the eight Arctic nations. At Canada's insistence, it also includes a role for the aboriginal peoples of the North. UNCLOS was created to act as the governing set of rules for the oceans. As in the case of the Arctic Council, Canadian negotiators played a critical role to ensure that not only did UNCLOS serve Canadian interests, but that it also reflected the best of Canadian values.

The meeting in Greenland may undermine much of what Canadians have attempted to build if the process is not carefully monitored and controlled. The Danes have expressed some disbelief that anyone could take issue with an international meeting to ensure that everyone is on the same page when it comes to determining claims in the Arctic. But what they do not seem to understand, or are willfully blind to, is who should be invited to the meeting. By including only the five specific Arctic nations at the meeting, the Danes have indicated that Finland, Sweden and Iceland are not welcome. They have also made it clear that the five organizations representing the northern aboriginal peoples on the Arctic Council are also not wanted. Not only is this unacceptable, but it is counterproductive to the goal of co-operation in the Arctic.

Technically, it is true that only the five invited nations have Arctic continental shelves. However, it seems that the Danes fail to understand that the manner by



ANTHONY JENKINS / THE GLOBE AND MAIL

which the Arctic Continental Shelf is divided and ultimately utilized will affect all who call the Arctic home and that includes all Nordic states and northern aboriginal peoples.

If the exclusion of the Swedes, Finns, Icelanders and northern aboriginal peoples were not bad enough, the inclusion of the Americans in these meetings could undermine the other key international institution — UNCLOS.

While there is no question that the Americans are an important participant in these discussions, they have made their own decision to not be a party to this UN convention. (A small rump of Republican senators has thwarted efforts of other Americans to accede to the Convention.) Thus unlike the other four Arctic states that have ratified UNCLOS, the Americans choose to remain outside the treaty. The move by the Danes to invite the Americans to a meeting about the northern continental shelf raises the possibility that the Americans may gain the benefits of the convention without having to shoulder any of the responsibilities. Although this may not be the Danes' intent, one needs to ask why they want to hold a meeting to discuss the Arctic continental shelf with a country that refuses to become a party to the treaty. After all, UNCLOS created the entire concept of the continental shelf in the first place.

So what should Canada do? Since the Danes are proceeding with the meeting, Canada needs to participate. It is imperative that Canadian officials ensure that the meeting does not cause further damage to both the Arctic Council and UNCLOS. To do this, Canada needs to send one of its heavy hitters — a senior government minister. Rumours are circulating that the Danes, Norwegians and Russians will each send a senior minister to head their delegations. In Canada, we hear that Natural Resources Minister Gary Lunn is being

sent. Meaning no disrespect to Mr. Lunn, Canada should send no one less senior than the Minister of Foreign Affairs or National Defence. Sending a more junior minister will jeopardize our efforts to be taken seriously at the meeting.

Canada also needs to start developing and promoting its own international Arctic governance plan. The current government has taken some very important steps to ensure that this country has the ability to know about and respond to events in its own Arctic territory. Now it needs to develop a plan to ensure that actions occurring beyond its northern borders do not have a negative impact on its own Arctic region.

Canadian leadership in the formation of both the Arctic Council and UNCLOS has been both bipartisan and powerful. Now is the time to resume that tradition. Canada needs to be the international leader that ensures the emerging new Arctic reflects the best of both Canadian ideals and vision. This means a strengthened Arctic Council and UNCLOS. But first the meeting in Greenland needs to be contained.

Rob Huebert is a senior fellow of the Canadian International Council.

MORE COMMENT



Why Canada has to sit at the 'High Table'

A Security Council bid shows our capacity and independence, says former UN ambassador Robert Fowler
globeandmail.com

What m. Toronto truly spe

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You know it's strange in Toronto when you start to spot them. Why, there's a pair. They are huddled up in the rain, traffic whizzes by their sides. Looking hopelessly wildered, they are clutching their map. Obviously, something has gone wrong there supposed to be down here?

I always feel sorry for people. Even if they like, they won't go. "You should have Chicago," I feel like them. In Chicago, you usually find the lake, decent meal for 12 bucks. These days, Toronto is a drab; and (2) too expensive.

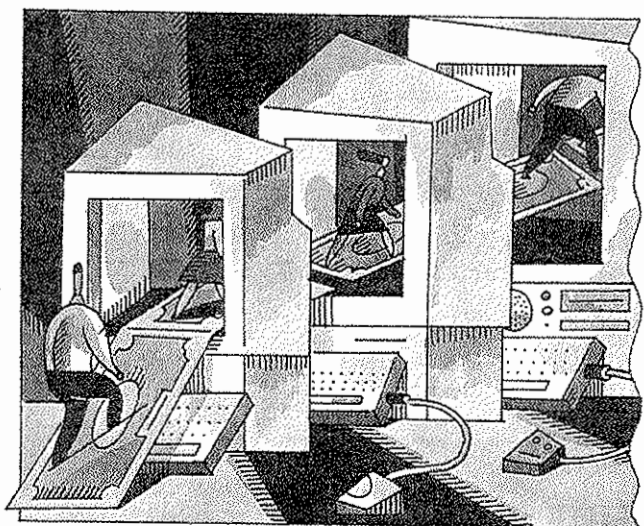
A decade ago, nearly 10 per cent of tourists to Toronto said they were "very satisfied" with the experience. The "very satisfied" shrunk to less than 10 per cent then, the parks have scuffed as the doll. There's still a panhandler every corner.

"We're repositioning ourselves," vowed the Toronto Tourism Board last week for the umpteenth time. Help out with this, I hired comedian Russ Williams whose ethnic jokes were offensive to Mr. Peters knows are Toronto. "Hey, this city! Yeah, spare some change?" he joked.

Actually, I think Toronto is on to something a little effort and in we could reposition as features. So what have panhandlers? The nicest panhandler world! We could make them there's the we a problem! How many offer you the chance to experience frostbite and gales as you enjoy the works at the end of

When we were 40 off, Americans didn't Toronto was a little seedy. Now that we're priced — plus GST — to add more value to the experience. Tal Park, right behind the legislature building, be a green oasis. Instead of dilapidated wasteland sketchy grass and benches lashed together rusty chains. So her idea. Let's invite some social gardeners from the world to come up. They could plant flowers, paint the benches and clean the bird King Eddie. We could philanthropic tourists in the Third World experience without the bother to go there. With a vision, we could make Park as nice as your park in Mexico.

Tourists complain there's nothing new do here, just the same stuff. But they're wrong. They're taking them through the town, where they can see the biggest garbage in the world. Since not squeeze them into the yard, they all sit in the yard. Sure, other cities



The Internet: last frontier in Canadian grassroots fundraising. EYEWIRE