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Belling the Cat

The Lobbyists Registration Act

by
BILL EGGERTSON, B.A.

A thesis submitted to
the Faculty of Graduate Studies and Research
in partial fulfilment of
the requirements for the degree of
Master of Journalism
School of Journalism.

Carleton University
Ottawa, Ontario
April 20, 1992

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The Lobbyists Registration Act

submitted by Bill Eggertson, B.A.
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Abstract

The *Lobbyists Registration Act* was enacted in 1989 in response to the outrage that was created by the activities of certain former politicians and bureaucrats who were deemed to exercise undue influence in the formulation of public policy due to their contacts within government. The Act created a registry that was designed to provide transparency for lobbying activities in Ottawa by requiring information to be placed on a public database.

Three years of operation by the registry have revealed serious deficiencies in the underlying philosophy of the law and in its implementation. The Act is due to be reviewed late in 1992, and many of the proposed refinements will not increase the transparency of lobbying, nor will they curtail any abuses which may exist.

This thesis contends that the current legislation is misguided, discriminatory and toothless. If the federal government is serious about curtailing activities which many people admit are unstoppable, there exist a number of options which should be examined.

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CHAPTER ONE

LOBBYING: A SIN OR A SALVATION FOR SOCIETY?

Every two minutes, Canada's federal government is approached by a lobbyist who is attempting to influence a public official on behalf of a private client.

During the past 20 years, governments around the world have become increasingly concerned with individuals who are able to exert an undue influence on public policy as a result of their personal contacts within the political system. In Ottawa, this anxiety peaked after the Progressive Conservative party rolled to a landslide victory at the polls in 1984, and a series of incidents led to public indignation over the perceived power of federal lobbyists. The political response was to string a "cat bell" on these individuals so that their movements could be monitored, and Canada became the first Parliamentary government in the world to do so.

Since a public registry became operational late in 1989, the frequency of lobbying illustrates that the profession is a leading growth industry in the capital, and a comprehensive parliamentary review of the *Lobbyists Registration Act* late in 1992 will determine if current controls are adequate. If not, politicians will determine if the cat bell should be made larger or louder to ensure that adequate transparency is

maintained in the dealings between the public and the private sectors.

GENESIS OF LOBBYING

Lobbying is often called "the second oldest profession." In its classical definition, the term refers to any communication between a citizen and an elected or appointed public official, where the intent of the message is to influence a government decision or the direction of public policy. The earliest reference to the practice emanated from 17th century Britain, where private citizens milled in the lobbies of Westminster to button-hole Members of Parliament and to plead for government largesse. This tradition continues to this day in Washington, where lobbyists are allowed to solicit the votes of federal legislators within a well-demarcated area of the marble halls of Congress.

In Canada, lobbying has been an ingredient of the political system since the early days of the Château Clique and Family Compact, when elite members of society exerted inordinate control over community affairs. Until the 1950's, local business leaders controlled the political parties in their riding and favors were theirs for the asking from their MP, explains professor Paul Pross of Dalhousie University, one of the most widely quoted academics on lobbying and the author of *Group Politics and Public Policy*. As economic power centralized away from the community and the focus of political parties changed early this century, the integral connection

between the party system and the local elites dissolved, and citizens were forced to turn to pressure groups for help. As long as 20 years ago, a major Canadian study indicated that 40 per cent of businesses had hired a lobbyist or a lawyer to handle a government relations issue.

With the evolution of a skilled and salaried public service in the 1950's and 1960's, it became increasingly important for each sector of society to monitor government, if it was interested in having any influence over the policies promulgated by politicians or if it wanted to compete for government procurements. Contract lobbying was frequently undertaken by legal firms that employed former politicians, and the Ottawa Yellow Pages eventually added a listing for "Government Relations Consultants" to supplement the classification of "Public Relations Consultant."

"Lobbying in Canada is ubiquitous, yet it occupies an uncomfortable position in our political life," says Bill Stanbury, a professor at the University of British Columbia and author of a textbook on *Business-Government Relations in Canada*. More citizens provide input to the political process through their support of associations than they do through direct membership in political parties, and almost all Canadians lobby to some degree, from the "grey power" movement of senior citizens who stormed the Peace Tower to protest tax clawbacks of their old-age benefits, to the suburban homeowner who demands that his alderman crack down

on loose dogs and potholes in his neighborhood. "The Pope is a lobbyist, so are the Archbishop of Canterbury and the American ambassador," says Thomas d'Aquino of the powerful Business Council on National Issues. Yet, due to the high-profile past abuses in the U.S. system, Canadians frequently use the term "lobbying" in a negative connotation. Even the Yellow Pages refuse to list the term, even in the directory's cross index.

GOVERNMENT WELCOMES INPUT

The federal government freely acknowledges that it is the target for lobby groups and, far from opposing their input, actively encourages the activity.

"The practice of lobbying plays an important role in ensuring that governments, in taking the decisions which affect the lives of all of us, are able to take properly into account the multitude of diverse interests involved," explained Prime Minister Brian Mulroney in 1985 when he first promised to bring lobbyists under legislative control. The preamble of the subsequent law emphasizes that "lobbying public office holders is legitimate activity."

Pluralism is the academic term used to describe the process of "open lobbying," where all interested groups are accorded equal opportunity to provide their views to government officials on any given issue, with reasonable assurance that all

inputs will receive balanced consideration in the formulation of the final policy decision. "Modern pluralistic democracies, with their checks and balances, were specifically designed to prevent any one view from dominating," says James Gillies, who was a senior policy advisor to Prime Minister Joe Clark before becoming a professor at York University and writing *Where Business Fails*. "In a well-functioning democracy based on the consent doctrine, each group having an interest in a specific piece of legislation has a legitimate right to be involved in its formulation," he notes in his book.

It is the duty of private companies "to contribute to the formulation of the conditions under which business operates, to be involved in the establishing of the public purpose and determining how it will be fulfilled," Gillies adds. If the public has a right to control business through the political process, he insists that "business may appropriately play an active role in influencing the political values and choices of the community." This view was supported by Liberal finance minister Donald Macdonald, who said in 1977 that government's process to prepare legislation "requires as much information as possible about the areas to be affected and the possible implications of any proposed changes."

Government has become obsessive about its responsibility to consult with as many factions as possible, and it goes so far as to provide financial support to groups such as the National Anti-Poverty Organization in its quest to ensure that the views

of traditionally under-represented or poorly-resourced bodies are heard by the decision-makers. During the debate over an issue of copyright fees for music composers late last decade, the minister of communications publicly suggested that recording groups hire a lobbyist because the radio broadcasters were articulating their views so strongly that the input was not balanced.

EARLY INPUT

A lobbyist fills the role of "honest broker" by relaying information between government and his client. "Lobbyists endear themselves simply by giving the public servant a wealth of information about the industry they represent," says John Sawatsky, an investigative journalist who wrote *The Insiders: Government, Business and the Lobbyists*. "The public servant uses this knowledge to enhance his position with his boss and his peers."

Jim Bennett of the Canadian Federation of Independent Business says lobbyists "represent another kind of knowledge that makes them welcome in the offices of bureaucrats and politicians alike. They are regarded as a source of information that governments find difficult, if not impossible, to discover easily," such as the impact of policy initiatives on job creation and corporate profitability. Politicians like lobbyists because "they provide information you don't get from the bureaucracy, and you want as many sources as possible," adds former Quebec

communications minister Richard French, who masterminds the government relations strategy for Bell Canada.

Professor Gillies says "no one wants to write bad law, but no one in the bureaucracy can write labelling law without input from the people who are affected by it." The range of issues on which legislation is deemed to be necessary expands all the time, adds Alasdair McKichan of the Retail Council of Canada. "Nobody in government or the private sector can hope to know all the answers," he explains, and each group must work to ensure that the other is aware of its concerns on any issue.

One of the original antagonists of the lobbying profession, NDP MP John Rodriguez, recalls that he "wanted to outlaw these people, but I moved to the point where I thought we could harness this process." Now, the wiry politician from Sudbury calls lobbyists "invaluable tools in my work as a legislator for public policy formulation," and says they "are very useful in terms of getting to know how things work in this country" -- knowledge that he says his party needs to tap if it ever intends to take power. "I find it very helpful in understanding how their sector works, to talk with people who are knowledgeable in their work and are able to fill in the missing pieces for me."

The common thread among lobbyists is their background as senior political

advisors or public servants. The *Financial Times* wrote in 1981 that lobbyists were "the best informed, least understood and perhaps the most influential private citizens in the country" due to their experience within the political system that provides them with a significant grasp of issues and political terminology, as well as wide-reaching personal contacts.

The Canadian government recognizes the value of well-connected individuals who know how to influence other legislatures, as demonstrated by the handsome retainer it paid to former U.S. presidential aide Michael Deaver to lobby his former boss on the acid rain issue. In 1986, governments and corporations based in Canada spent more than \$16 million to influence the political system in Washington, up from \$7 million in 1981, according to statistics compiled by the U.S. Justice Department.

GROWTH OF GOVERNMENT

There are numerous explanations for the burst of government relations activity during the past two decades, but the underlying reason is the mushrooming size and complexity of Canada's political system. The private sector has become increasingly interested in making its views known to federal decision-makers because:

- more than \$15 billion in grants and subsidies are awarded each year to

private companies, and the intricate application process forces business to find experts who can refine its solicitation to meet the policy requirements of government;

- the number and value of federal contracts has declined due to economic recession and the increased demands for services from other sectors of society which, in turn, forces business to become more adept at securing its share of the pie;
- favorable fiscal policies, from tariff protection to import quotas, have a profound impact on the bottom line of a balance sheet, and the private sector has been quick to recognize the need to moderate the public's demand for regulations which reduce the return on equity;
- Parliamentary reform has helped to devolve power from the central control of Cabinet to backbench MPs, thereby expanding the relative authority of elected politicians;
- committees now set their own agenda without the consent of cabinet, resulting in a wider range of policy initiatives;
- the downsizing of the public service limits the bureaucracy's internal research capacity at the same time that it needs increased input from the private sector, forcing government to rely on lobbyists as a source of industry data or as a "trial balloon" to gauge the response of various industry sectors to possible regulations;
- citizens need to convey their opinions to government on issues that arise

between elections;

- Brian Mulroney's introduction of the Chief of Staff stratum to complement the recommendations of career bureaucrats has provided a "political" access point for private input.

The need to understand the political system remains a vital consideration for business, as the current constitutional talks are expected to transfer more power to the provinces, as well as to augment the role of Members from both Houses of Parliament.

The difficulty of contacting the proper public official is underscored by the existence of more than 115,000 departmental telephone lines in the National Capital Region alone. Many senior officials remain "unlisted" in the 1,276-page government telephone directory which, itself, has burgeoned from 826 pages in less than a decade.

"With the growing complexity of the relationship between business and government, the use of accountants and consultants of all types has become, not only a practice, but a necessity for a corporation with extensive dealings with government," says Gillies. "At what point these professionals are lobbyists is almost impossible to identify and perhaps, really, is not of much importance."

Lobbyist Paul Robinson says companies can "suffer a great deal in terms of their corporate activity" if they lack an understanding of government or the means to deal with the system, pointing to the negative fiscal impact of the National Energy Policy on foreign-owned oil companies early last decade. A tangible response has been the trend for companies to open an office in the federal capital, or for non-profit trade associations to relocate to Ottawa, where they can become directly involved in the formulation of laws on behalf of their funding members.

"Ottawa is not getting any simpler," agrees Jodi White, who worked for Joe Clark before setting up her own lobbying firm, but who retains strong ties with the federal Conservative party as a member of its preparedness committee for the next election. "These groups need someone to keep them up-to-date on the key players and the day-to-day changes in policy areas that concern them."

Mark Daniels, a deputy minister who moved into the top spot at one of the city's largest lobbying firm, said "the door may be open wider, but the complications of shaping change have increased exponentially in the process." Many lobbyists joke that they do not need to market their services; they simply rely on the growing complexity of government to create a public demand for the information and advice they offer to clients. One firm estimates that 70 per cent of its business is based on solving problems that are created by the political system.

"Knowledge can indeed be power and, if a corporation is going to lay siege to Ottawa's bureaucratic fortress, it could do worse than buy its advice from someone who has had a hand in the citadel's design," says UBC professor Stanbury.

ABUSE OF POSITION

The concern over lobbying and, in particular, the techniques of individuals who are paid as a third-party or contract lobbyist, has accelerated with the democratization of interest groups. As more sectors of society recognize the need to provide their input directly to public decision-makers, there has been an increased belief that the playing field is not level. Incidents in which politicians are seen to capitulate to vested interests has reinforced the public perception that certain groups are able to obtain more power and legitimacy in the policy process than others, thereby negating the theory of pluralism. As U.S. sociologist Ernest Schattschneider said, "The flaw in the pluralist heaven is that the heavenly chorus sings with an upper-class accent."

"The pleading, often behind the scenes, for special interests arouses the deepest distrust in a democratic society," says Pross. As suspicion increases over the level of influence peddling (whether real or perceived), public respect decreases for the final policy decisions that flow from the process. For more than 20 years, most of the attempts to regulate lobbyists have been clearly intended to counter the

crumbling public trust in Parliament as an institution.

"Access, which was once the right of a citizen and the obligation of a Minister, is now being peddled for a fee," charges Michael Pitfield, former Clerk of the Privy Council. Addressing a seminar on lobbying, he argued that excessive secrecy leads to collusion and the eventual decline of due process, and that "information peddlers-for-a-fee" are damaging the image of government and the quality of the public service. "It's hard for a minister to be open when the deputy minister may (resign and) show up in his office the next week representing a client on the very same issue," Senator Pitfield is quoted as saying in the *Globe and Mail*.

The allegation that business has powerful political influence was rebuked by the 1978 Royal Commission on Corporate Concentration, which found little or no evidence of undue influence by corporations in the area of policy formulation. Gillies and others have argued that business was fundamentally incompetent in its government relations in the old days, and that it was forced to devote more attention to courting the policy system before it was too late.

Regulation of the individuals who became known as "the insiders" was a basic response to the intrusion of a new factor into the policy equation, and Pross regards it as a method to promote greater equality among competing groups. The reason that it took so long for politicians to control the practice is that they could

not place undue restrictions on the right of private citizens to address their concerns to public officials nor impinge on civil rights.

Public officials want to know who is actively advocating each issue, so they can be sure that the demand is genuinely supported by the affected publics, explains Pross. "Similarly, the public at large expects a registration system to provide it with more information than it now has about the interests competing for concessions from policy makers."

POLITICAL ACCEPTANCE

When the moving vans packed up the headquarters of the Canadian Chamber of Commerce in Montreal's financial district almost 15 years ago, it was a signal that the term "lobbying" was becoming publicly and politically acceptable. The national business organization had spent a number of years quietly grooming its corporate members for the announcement that it was, indeed, a lobby group, and that its activities to influence the federal government would be more effective from a base in Ottawa. While other firms that were moving out of Québec during the sovereignty debate were severely chastised, the news media accepted the Chamber's rationale that, "if you report on the Montreal Expos, you don't do it from Hawkesbury."

As more groups in Canada followed the Chamber of Commerce out of the closet and started to admit that their government relations advocacy was another way of saying the "L-word," it became clear that the abuse of the U.S. political system during the "muckraker" era early this century was far less likely to occur in a Westminster model of government such as Ottawa, than in a republican system such as Washington.

With the exception of "free votes" in the Commons, parliamentary tradition demands that elected MPs vote according to their party line, thereby reducing the relative value of a politician's personal opinion on any issue. "Wandering around the halls of the House or the Senate and putting an arm on a backbencher really isn't going to do a great deal," says lobbyist Bill Lee. Controls may be needed in Washington, but that political system "is totally foreign to us," he adds.

In the U.S., laws can be influenced by Congress, the White House and the Supreme Court, forcing lobbyists to convince all levels of the "iron triangle" of the merits of their argument. In a republican government, politicians with no strong opposition to a particular policy issue will take part in "log-rolling," where they agree to support a colleague who does have a strong interest in that issue, in exchange for reciprocity at some future time.

Election campaigns in the U.S. also require large private funds, and those

donations can produce hefty political IOUs for a winning candidate. "It's inevitable that a political system that needs as much funding as that one does is going to be caught in, at least, a perception that the money is being supplied in return for considerations received," argues lobbyist Bill Neville. Canada's strict rules for political donations make "the whole issue of financing legitimate in the U.S., but not applicable to Canada," and he adds that the most a company can expect from its donation to a political party or candidate "is a little bit improved access" in terms of returned phone calls. "A guy who started making policy decisions on the basis of PC Canada Fund returns is a guy getting into a lot of trouble; the system is subject to too much scrutiny," Neville explains.

"We've been conditioned by the more negative aspects of lobbying in the United States, where there is a negative connotation," concludes Al Litvak, a professor at York University. "Lobbying in Canada is a form of communication and representation that is essential to the political process."

Lobbying had been growing for many years under the Trudeau Liberals, but it kicked into overdrive under the new Conservative administration with the arrival of a new breed of practitioner. Like the Titanic on its maiden voyage, few of the lobbyists realized that they were on a collision course with factors that would change their profession forever.

Many Canadians held a deep cynicism of government long before Mulroney was sworn in at Rideau Hall, but the public relations disaster that befell the lobbying industry prompted the new Prime Minister to string a bell around the cat's neck as the quickest way to stop the public indignation. The bell has been in place for almost three years now, and it is time for politicians to reflect on the effectiveness of this warning bell and to decide what measures, if any, should be taken to increase the transparency of the lobbying profession in Ottawa.

CHAPTER TWO

FROM MATHER TO MOORES: GENESIS OF THE BELL

The political desire in Canada to control lobbyists first surfaced in 1969 in the form of a Private Members Bill, introduced by Barry Mather of the NDP. Like most non-government proposals, the Bill languished on the order paper, but this did not deter Mather from introducing five more private bills over the next five years in his personal crusade to focus attention on the need for controls. From 1974 on, MPs Ken Robinson and John Reynolds, both from the governing Liberals, tried six times to solicit their colleagues' support for controls on the behavior of lobbyists. Opposition House Leader Walter Baker tabled four private bills between 1976 and 1978, while caucus colleagues Bill Friesen and James McGrath contributed three more attempts from the Conservative side of the House. The last individual attempt to restrict the activities of lobbyists was made by the NDP's John Rodriguez in 1985, just months before the federal government announced its intention to proceed with regulations.

The 20 private bills were similar in content, all defining lobbying as "the action of any person or group attempting to influence the course of either legislation or executive action" whenever money was involved. In the early years, the lobbying that was undertaken by voluntary non-profit associations was ignored by the

Private Bills in favor of focusing on the role of private individuals who worked on behalf of different clients. All the bills insisted that the names of these clients be disclosed, some demanded that the clients' fees be revealed, and others suggested that penalties for non-compliance should include fines of up to \$5,000 per month. One version wanted lobbyists to carry identification cards and to list their clients in a register that could be accessed by MPs and the news media but not, for some reason, by the public servants who were being lobbied.

One bill from each political party progressed to second reading: Mather's prototype Bill C-38, in 1969; Baker's Bill C-214, in 1976; and Bill C-495 in 1980, championed by Robinson. During debate on the latter, NDP MP Ian Deans agreed that public office holders "should know on whose behalf (the lobbyists) are acting and making representations," and he further argued that, with a registry, the Canadian public "will be better able to judge the arguments advanced by certain, and sometimes high-priced, individuals who put forward the position of a particular vested interest but fail to identify that party."

The debate also focused public attention for the first time on two men who are regarded as the "deans" of Canadian lobbying as a result of their creation of Executive Consultants Limited (ECL) in 1968.

"There is a need to show that certain people in the country exercise considerably

more influence than others, even though they are faceless and frequently nameless," Deans insisted in the Commons. "We are talking about the Bill Lees and the Bill Nevilles of the world and the others moving in and out of the circle of government, lurking behind the scenes in the halls, carefully sidling up to people at lunch and whispering in their ears."

In 1973, Tory leader Robert Stanfield mused that the ability of lobbyists to influence the political process could have a detrimental effect on the structure of Canada's democratic government. Like his colleagues in Parliament, he was concerned with the increasing loss of public trust in the institution if such activities remained unchecked.

Outside the Commons, there were a number of parallel efforts to stem the growing influence of lobbyists. An intense campaign by drug manufacturers against compulsory patent licensing prompted delegates to the 1970 Liberal party convention to endorse a proposal for the registration of lobbyists. The plan was moved by Tex Enemark, the executive assistant to the Minister of Consumer Affairs and a man who, ironically, would pay \$75,000 to become a partner at one of Canada's largest lobbying house four years later.

In 1987, the Law Reform Commission of Canada recommended changes to the Criminal Code that would guard against public officials using their positions for

personal gain. The Commission argued for tougher curbs on bribes and breach of trust, adding that the proposal "clearly legitimizes the activities of lobbyists, paid or otherwise."

CONFLICT OF INTEREST

Most of the private bills were tabled in the Commons to placate the public's wrath over alleged peddling of influence by private lobbyists, although subsequent analysis indicates that voter anger was more frequently caused by conflict of interest than by activities that could be labelled as unethical lobbying. "The media quite happily roll lobbying in with patronage, conflict of interest and influence peddling, and give it to you as one package deal," said John Armstrong, the first administrator of the office that was eventually set up to register lobbyists.

Baker's attempt in 1976 to establish a public register that would reveal "who the lobbyist is, on whose behalf he is working, and for how long" was prompted by the actions of Simon Reisman and James Grandy. In 1975, these men took early retirement as deputy ministers of finance and industry respectively to lobby on behalf of Lockheed Aircraft's bid for a \$900-million long-range patrol aircraft contract. Two years later, ex-finance minister Donald Macdonald was criticized for sitting as a director of McDonnell-Douglas while the firm was chasing a \$2.3-billion contract for Canada's fighter aircraft. At that time, the *Edmonton Journal*

argued that lobbyists should be registered "so the public knows just who is trying to influence whom" although, in both cases, the Liberal administration responded by introducing conflict of interest guidelines for former holders of public office. These guidelines were designed to prevent public officials from moving into the private sector and lobbying their former colleagues on projects where there would be real or perceived undue influence, for a period of time.

Concern erupted again in the so-called "Coalgate" affair of 1983 when ex-minister Alastair Gillespie was accused of violating the cooling-off period dictated in the conflict guidelines. Prime Minister Trudeau ordered an investigation, but the report was tabled just before his government was defeated in 1984.

MULRONEY AND MOORES

When Brian Mulroney swept to power in 1984, his party suffered from many scandals that are characteristic of a party in transition, but it was one of his best friends who was destined to create the biggest problem for the new administration.

Before Mila had ordered new drapes for 24 Sussex Drive, media attention was rivetting on Frank Moores, the former premier of Newfoundland who had been instrumental in ousting Joe Clark as party leader in favor of the man from Baie Comeau. With Mulroney confidantes Gary Ouellet and Gerald Doucet, Moores

had moved to Ottawa to set up a firm on the 13th floor of a downtown office tower, called Government Consultants International (GCI).

With foreboding, the established lobbyists in the capital read headlines that accused GCI of running an "escort service" that had charged \$3,000 to east-coast fisherman Ulf Snarby to arrange a meeting with minister John Fraser. The public outcry forced Mulroney and Fraser to proclaim that no one would be required to pay a fee to meet with a minister, while Moores steadfastly proclaimed his innocence by stating that he was not directly involved in lobbying for Snarby. However, Snarby never begrudged his fee to GCI, which was compensation for several days of meetings with senior government officials to advance his argument for the transfer of a fishing licence. The urgent meeting with the minister came only after Snarby had been repeatedly stonewalled by Fraser's deputy and assistant deputy ministers.

The "straw that broke the camel's back," according to Rodriguez of the NDP, was an incident that surfaced almost immediately after the fishing episode, when the media reported that GCI was lobbying on behalf of the European Airbus passenger jet, while Moores was a director of Air Canada. The national carrier eventually ordered 34 of the planes from Airbus at a cost of \$1.8 billion, and it was rumored that GCI collected a contingency fee of more than \$30 million for its influence in the decision. The publicity was further fuelled by the fact that Nordair and

Wardair were both paying GCI for lobbying services at that time, although both quickly dropped from the company's client list.

A few days later, Moores stated that a "properly constituted regulatory framework ... for government relations people, or lobbyists, would help to recognize the important role such lobbyists play, and will continue to play, in our country." With that, he resigned his seat on the Air Canada board of directors.

At a Vancouver news conference on August 22, 1985, the prime minister announced his intention to introduce a sweeping legislative package to address ethics in government. Mulroney could not forget that his majority election of less than a year earlier was based partly on the emotional issue of open and responsible administration, and he had already witnessed much of his caucus ravaged by charges of bribery, breach of trust, and abuse of influence of public office. Prompt action to control the alleged improprieties of lobbyists would be one way to stem the haemorrhage.

"We will have a bill that will govern their behavior, their remuneration and their interests," pledged Mulroney, but his intention to "demystify" lobbying activity through legislation surpassed the expectations of many people who had expected the government to impose only a code of conduct or general guidelines to supervise the profession.

Within three weeks of his Vancouver announcement, Mulroney released a conflict of interest and post-employment code to "enhance public confidence in the integrity of public office holders and the public service." At the same time, he reiterated his promise that legislation for lobbyists was on its way.

Three months later, the government was still promising that action would be taken before the House adjourned at Christmas but, on December 19, a discussion paper referred the sensitive issue to a parliamentary committee for study. The minister admitted that he had received many "representations" from those who might be subject to the future law, and hinted that controls might expand to cover individuals who only gather and sell information for their clients.

The hot potato was dumped in the lap of the Standing Committee on Elections, Privileges and Procedures in April, 1986. Under the chairmanship of youthful-looking Albert Cooper from northern Alberta, the Conservatives on the committee tried to work with Liberal Don Boudria and Rodriguez of the NDP. Their mandate was to devise a framework that would ensure the transparency of the lobbying profession, while respecting the guiding principles of openness, clarity, access to government and administrative simplicity.

Before the end of January, 1987, the committee had heard testimony from numerous lobbyists and special interest groups, and had toured the United States to

learn how the reins were applied to the industry in that country. After some last-minute compromises among its members, the committee tabled a unanimous recommendation that a public registry be created.

"This legislation does not attempt to regulate the business of lobbying," noted then-Consumer Affairs Minister Harvie Andre when he tabled Bill C-82 in June. "Lobbying is an essential component of a modern democratic society, and should not be regulated."

Boudria and Rodriguez, however, were incensed about two changes that Andre had made to their report. First, the bill incorporated the concept of two distinct tiers by distinguishing between consultants who are paid by a number of clients, as opposed to those who are on the staff of a single organization, such as a manufacturing company or an association. Second, the opposition MPs disagreed with the omission of a recommendation that client fees be disclosed. They fought so tenaciously to preserve those provisions during second reading that Andre publicly warned that the legislation could be postponed indefinitely if they maintained their resistance.

Despite misgivings over the dilution of the two points, Liberal MPs sided with the majority Conservatives in a near-empty House of Commons -- 87 votes to 14 -- to pass legislation that Andre predicted would give "transparency to the public's

relations with the government." The Act did not receive Royal Assent until September 13, 1988 -- more than three years from the date on which the Prime Minister left his west-coast cabinet meeting to promise controls.

THE BRANCH

It would take another year, until the end of September 1989, for the Lobbyists Registration Branch to open its doors on the fourth floor of the Place du Portage complex in Hull. In a spacious government office partitioned with sickly green room dividers, a staff of four processes more than 8,000 registrations and amendments each year from 800 professional lobbyists and 2,000 employee lobbyists.

For the first group, registrations have continued to rise steadily, from 465 professionals in 1990 to 650 in 1991. For the second group, the current listings are down about 10 per cent from the end of last year. Original estimates had predicted that 5,000 Tier One and 10,000 Tier Two individuals would eventually place their names on the database, but officials explain that those predictions were "really over-estimated" and were tabulated before it was well understood what activities would be registrable under the law. Many lawyers and PR consultants had thought they would have to register, while national associations had included their provincial affiliates in the tally. The release of an interpretation paper has

prompted many Tier Two officials to de-register.

After spending \$750,000 in the first year to set up a computer system and to print information brochures, the Branch now operates with an annual budget of \$315,000. John Armstrong finished his two-year role as the "start-up" bureaucrat, and the title of Registrar was transferred to Corrine MacLaurin, who was selected for her background in library science and information handling.

Lobbyists who operate in the capital fill out one of two forms, based on whether they are working as a Tier One professional who performs services on behalf of a number of clients, or as a Tier Two employee lobbyist whose job involves a significant amount of interaction with public office holders for the employer only. The latter are required only to file the name of their organization once a year.

The reporting requirements for Tier One lobbyists are more complex, including full disclosure of the name and corporate structure of each client. For each undertaking or for every meeting with a government official, the lobbyist must identify the subject area of concern from among more than 50 choices, and state if the contact with government officials is to influence:

- the development of a legislative proposal;**
- the introduction, passage, defeat or amendment of any Bill or resolution before any House of Parliament;**

- the making or amending of any regulation;
- the development or amendment of any policy or program of the Government of Canada;
- the awarding of any monetary grant or contribution or other financial benefit; or
- the awarding of any contract by Her Majesty.

Politicians and bureaucrats of other government levels do not have to register, nor do diplomats and certain international organizations. The Act does not oblige individuals to register if they are sparring for their own personal cause, nor people who attempt to influence government officials at a public meeting or in response to government's request for public input through the *Canada Gazette*. Company salesmen are also exempt, unless the sales pitch is made by a third party on behalf of a client.

Clients of Tier One lobbyists include major corporations such as the food giant Nestles, Paramount Pictures, brewer Anheuser-Busch and property developer Huang & Danczkay. But they also include smaller groups, such as the Canadian Old Timers Hockey Association and the Office of the Hereditary Chiefs of the Gitksan Wet'suwet'en People. A client often will engage several firms to work on its government relations program, but it is the responsibility of the individual lobbyist to file each name with MacLaurin's office.

Each registration form or amendment is scanned optically into a Wang computer system, from which public office holders, the news media or the general public can retrieve a report sorted by client name or subject area of activity. Last year, the Branch raised more than \$7,500 from its service charge to log onto the database or to print out a file.

For Tier One lobbyists, statistics from the 1990-91 fiscal year show that almost 50,000 different issues were raised with government, up 25 per cent from the previous year. Each undertaking must be filed only once when the activity commences, which averages out to 200 different issues that are addressed with the federal government on every working day of the year. Comparative figures for 1991-92 will not be ready until May. International trade and government procurement remain the most frequent areas of interest, with multiculturalism at the bottom of the list.

A major concession to the MPs who wanted tougher controls was a commitment to undertake a comprehensive review of the Act and its administration in 1992.

Chairman Albert Cooper says his committee was "charting new waters" when it tabled its recommendations, and he insisted on a review "because I did not have the confidence that we would have all the answers and might miss the mark by a mile." After three years, "it's no longer hypothetical," and a review can address the shortcomings that have been uncovered by dealing with the exceptions rather

than the rules. "For the most part, it's not a big public issue any more," he says, adding that the experience demonstrates that there is not "this big fear that everyone had" when the legislation was first proposed.

"The development of the lobby registry came with the defeat of the Liberal government and the arrival of the Conservative government in 1984," says a recent issue of the *ECL Report* newsletter. "The change of administration resulted in the quick formation of a host of new government relations firms, many of which were organized by known friends of the prime minister and Tory party. News stories of fortunes being made by the new generation cashing in on their new government connections prompted the Mulroney government to introduce the ... legislation in an effort to bring some professional order into the lobby ranks."

"One of the more notable things when the Tories came along is that a large number of lobbying firms were set up," says political columnist Frank Howard as he wipes a speck of fried egg from his goatee and reaches for another cigarette in his favorite restaurant on the Sparks Street mall. "The notable commonality about them was they were trading upon connections with the PMO and *not* other departments. These people were making money out of what has cynically been called 'dating services'." His perception is shared by many Canadians, according to a 1986 Gallup survey that reported that 49 per cent of respondents who believed that favoritism and corruption was increasing, compared with 13 per cent who felt

it was declining.

"Any accounting of who is trying to influence government is very important in a democratic society," says investigative journalist John Sawatsky. "People with money and access to resources have more access than people who don't," and the legislation is "fundamental because at least it puts the players on the record, which we haven't had up to now."

As the deadline for the parliamentary review emerges on the horizon, lobbyists are starting to compile statistics from the registry and to point to the experience of the past three years to argue that the legislation has served its purpose and works quite well in its current form. At the same time, politicians and journalists are using the same database of information to illustrate the need for tighter controls of the profession.

However, statistics will provide only one element of the review, and it is likely that a more important factor on the eventual outcome will be an examination of the personalities that visit "the Hill" on a regular basis and the impact of the top dozen players in Canada's democratic government.

CHAPTER THREE

THE INFLUENCES BEHIND THE FACES

Despite the pervasive nature of lobbying by "average" Canadians, either on their own or with the help of a non-profit association, it was obvious from the day that controls were first advocated that the target of the *Lobbyists Registration Act* would be the professional, third-party "individual who, for payment, on behalf of any person or organization referred to as the 'client'," arranges a meeting or communicates with a public official in an attempt to influence the course of government policy or the awarding of a grant or contract.

While many of the professionals are former elected politicians with obvious partisan connections, most practitioners are former political appointees or senior public servants who possess a strong knowledge of the system and how access can be achieved.

The cherubic Bill Lee, one of two men credited with the genesis of lobbying in Ottawa, was a familiar face on the Pierre Trudeau stage. He is credited with a major role in the downfall of the Diefenbaker administration, and served as executive assistant to Paul Hellyer National Defence. When his minister failed to win the Liberal leadership race in 1968, Lee agreed to manage the Trudeaumania

campaign and then returned in 1984 to help the Grits select John Turner as the new tenant of 24 Sussex Drive.

Bill Neville was executive assistant to Liberal minister Judy LaMarsh until 1968, when he teamed up with Lee to open the doors at ECL. But he changed his political stripes to Tory blue and campaigned unsuccessfully for public office against then-finance minister John Turner in 1974. Five years later, he served as Joe Clark's campaign manager and then was assigned a pivotal position as the PM's chief of staff during Clark's brief tenure. Neville returned to mastermind Brian Mulroney's transition to power in 1984 before signing on as President of Public Affairs International (PAI), where he remained until he opened his own office in a plush downtown Bank Street office tower in 1987.

PAI was formed in 1973 by Duncan Edmonds and Torrence Wylie. The former was an adviser to senior Liberal minister Paul Martin and Tory leader Joe Clark; the latter was executive assistant to Prime Minister Trudeau and a national director of the Liberal party. One of PAI's early chairmen, Mark Daniels, had been a deputy minister. Harry Near was a chief of staff and director of the 1988 Tory election campaign before serving as PAI's vice president, and later striking out on his own. The president of the Conservative Party, Pierre Fortier, took over as chairman after the firm was bought out by Hill and Knowlton, an international public relations firm. Among the staff are a former national director of the PC

party, a one-time Liberal minister, a senior aide to the Deputy Prime Minister, and a former deputy commander-in-chief at DND.

Within the ranks of parent company Hill and Knowlton, chairman David McNaughton was an executive assistant in the Trudeau dynasty, while the general manager ran Don Johnston's leadership campaign in 1984 before serving as issues analyst for John Turner during the federal election later that year. The company's vice-president was director of the navy's \$5-billion frigate program.

One-and-a-half blocks away at Executive Consultants Limited, partners Rick Bertrand, Stephen Markey and Gordon Harrison were all bureaucrats before buying into the firm. Despite his senior position in the profession, Bertrand's curriculum vitae appears as one of the softest of the Ottawa lobbyists, with a background in cable TV and only a short stint as information officer at National Defence, although he co-ordinated a recent fund-raising dinner that netted more than \$100,000 for the Conservative party. Some of his staff have worked in the Privy Council Office and one was president of the Liberal Party, but ECL prefers to emphasize the academic qualifications of its consultants, listing more than 15 university degrees for the 11 top professionals within the firm.

Ownership of ECL now is held by Burson Marsteller, another international PR firm, where the advisory board includes a key member of Quebec's strategic

planning group for the Tory party in 1984, a former staffer in the Prime Minister's Office, career deputy minister-cum-ambassador Allan Gotlieb, former U.S. Labor Secretary William Brock, and Ross DeGeer, former principal secretary to the Premier of Ontario.

The "new kid on the block" is Government Consultants International (GCI). Chairman Ramsey Withers was chief of defence staff before serving five years as deputy minister at Transport. Gary Ouellet, a long-time friend of Mulroney, was a chief of staff. Vice-President Scott Proudfoot, with the firm since 1984, served as an executive assistant and as a lobbyist for the European Community in trade discussions with Canada. Senior Consultant Patrick MacAdam served as caucus liaison officer in the PMO, was a Mulroney classmate at St. Francis Xavier University, and allegedly was instrumental in Mulroney's campaign to dump Joe Clark. GCI specializes in helping its clients tap into the \$4 billion in contracts proffered by Transport and National Defence and lists a number of former senior employees from both departments. Among the company's directors are former U.S. ambassador Paul Robinson, a minister of small business, a director of the PMO, an executive assistant, a special advisor to Mulroney and a chief of staff at Supply and Services.

Fred and Gerald Doucet operate separate lobbying firms under their own names from the same office on Laurier Avenue. Fred was chief of staff for Mulroney on

the opposition benches and senior policy advisor for three years following the Tory victory in 1984, while one of his employees is a former chief of staff and organizer for the Conservative party in Quebec. Gerry was a provincial minister in Nova Scotia and another Mulroney classmate from St. Francis Xavier.

Susan Murray was a policy analyst for the Conservatives at Queen's Park and vice president of the provincial Tory party before setting up her own firm in Toronto, S.A. Murray Consulting, and becoming one of the few women to break into the "old boys" network of lobbyists. Her Vice-President, Richard Binhammer, opened the Ottawa office after serving as advisor to ministers in the federal and provincial governments. On her staff are two former chiefs of staff, one of whom also ran the industrial preparedness programs at National Defence. Another vice-president, formerly a special advisor to the Ontario Treasurer and head of the provincial Automobile Insurance Board, played a key role in the lobbying battle for private sector car insurance.

As the head of Fox Communications Consultants on Sparks Street, Bill Fox was Mulroney's press secretary from 1984 to 1987, and it is reported that he will play a key role for the Tory party in the next federal election.

Employee rosters from the other large lobbying houses list a raft of former senior policy advisers to the Prime Minister, an inspector general of banks, assistant

deputy ministers, free trade negotiators, and aides to ministers from both Liberal and Conservative ranks. One of the former Mulroney advisers, John Tory, recently was tabbed to head up the national preparedness committee for the next election.

Lawyers have always been a major contender in Canadian politics, and many ministers return to legal firms to undertake lobbying activities. Conservative party president and ex-minister William Jarvis pops up on the registry, along with the names of former cabinet members Ron Atkey, Stewart McInnes and Jean-Jacques Blais; Francis Fox consulted with GCI after his portfolio in Communications.

After his defeat as a federal New Democrat MP, Michael Cassidy set up his own consulting operation in Ottawa's trendy Glebe district to provide public affairs and strategic planning for clients, and to lobby his provincial NDP counterparts in Toronto. "I obviously don't offer influence with the Mulroney government," he joked at the time, but adds that partisan support for a political third party should not hinder the success of someone who has "knowledge of the system and the ability, as a consequence, to shape proposals and to assist clients."

There is considerable lateral movement inside the Ottawa lobby houses, and Sam Hughes is an example of a man who parleyed his experience as president of the Canadian Chamber of Commerce into the top spot at ECL and, two years later, into the same position at Corporation House. Many of the consultants change

employers on a fairly frequent basis, or set off on their own while their skills are marketable and their contacts are fresh.

Despite the brisk competition in the growing market for their expertise, the professionals insist they are collegial. "We're still in the business of creating the market," explains McNaughton of Hill and Knowlton. "If you start throwing crap all over the place, you're going to discourage people from buying your services." The growth in the number of lobbying houses has resulted in niche servicing, and many firms will work collaboratively with their competition on specific projects or, on rare occasion, will suggest that a prospective client go to another firm that has more expertise in their area of need.

"Sometimes, a client will hire all of us so they know that no one is fighting them," jokes Bertrand, and the registry shows that the Pharmaceutical Manufacturers Association pays for services from Moores, Ouellet, Proudfoot, Fortier and MacAdam, among others. Lobbying is "big business run by very professional people," Bertrand stresses. "These aren't people who just got off a bus and said, 'This is the capital, I think I'll set up business,'" and the high level of professionalism is "one reason why we're not seeing more (negative) publicity out there."

INFORMATION GATHERING

A good lobbyist has "discretion and good contacts," said lobbyist Andrew Roman more than a decade ago. Success depends on "close relationships with a small group of public service mandarins," although Tier One professionals insist that they do not try to influence government officials themselves. "They gather information from the bureaucracy as to what sorts of things they would like to see in a presentation, then write the script for the clients, who deliver the presentation themselves."

Sam Hughes adds, "Ninety-nine per cent of our work is information-gathering on behalf of clients, developing strategic plans for a client to make his own approaches, and taking soundings after the meeting (with government) to find out how the client did." Corporation House rarely undertakes direct representation on behalf of a client to public officials, except in cases where the client is based in another country. To underscore the point, Hughes beams at an ornate map of Tokyo, which he received during a business trip to Japan and which he positions prominently to make his oriental clients feel relaxed as they sit in his 14th-floor office.

A skilled lobbyist can "understand the system and how it works on the political and technical or administrative side," says Stanbury. "It means an ability to

understand the political context and articulate arguments that will resonate with the target, and it has nothing to do with influence peddling."

In a 1984 video on lobbying, Bill Lee agrees strongly. "The client is much better able to present his own case because he understands the nuances that we, as outsiders, can't. We don't get involved in the lobbying process ourselves; we don't carry the strategy out. It's up to the client to do that."

GCI clients often have a very clear idea of what they want to achieve in their government relations strategy, and they work with Proudfoot to position their company properly. "If we're doing advocacy, they do their own speaking and their own arguments," he explains. "We'll get the underbrush before they go in to make their pitch, and serve as a roadmap and sounding board and a retriever of information." Armed with this information, GCI can simulate a meeting with government to prepare their client for the reception they can expect to encounter.

"Because I have friends ... that will tell me what the department wants, I can help the client understand how to deal with the government," said GCI's Geoffrey Craven in a newspaper article. "If there's a preferred bidder, we'll find out so the company won't have to spend a great deal of money to form a project team and enter a competition where they have almost no chance of gaining the contract."

UBC professor Stanbury notes that contacts "facilitate the transmission of information that is available to all." As a former public servant, his telephone calls are returned quickly and "I can get access to information that other people cannot get" because he knows someone in the bowels of the political system. It gives some players an edge, but he stresses that the practice does not violate integrity. "I'm not saying it's fair, but that's the way the world is."

Successful lobbyists don't cash in IOUs for special favors, Stanbury adds. Someone like Bill Neville is successful because "he knows the scene, knows the hot buttons, and knows when to tell a client to shut up and do nothing. He gets paid big money to do that, and I give it away in my book."

Timing is everything, and one of the most fundamental skills of a lobbyist is the ability to identify government intentions as early as possible. Once Parliament proclaims its intentions in the form of proposed legislation or draft regulations, it becomes an uphill battle to change the political momentum. Only if the threat is identified early enough, before political postures become rigid, can a lobbyist and his client hope to develop a strategy that stands any chance of amending proposals to be more acceptable to the client's interests.

Practitioners strive to cultivate their contacts throughout the entire bureaucracy by regular telephone calls and frequent meetings, and they spend their spare time

pouring through government documents to identify the subtle early warning signals of any regulations that may be percolating through the political system.

Then, the lobbyists position themselves as "honest brokers" with these contacts. By sitting in the middle of a two-way flow of information, they can warn their clients of pending laws or government intentions while there is time for the company to respond or to make strategic business decisions. In return, they can give bureaucrats a clear understanding of "who will cry and who will die" as a result of suggested government policy initiatives. "Information is the coin of the realm of lobbying," says Stanbury, and it becomes a currency that is more valuable than money. The profession can exist only in a world of imperfect knowledge and costly information, he adds. "If everyone in the policy arena knew everything there was to know, there would be no need for lobbying at all."

Public officials will often seek a lobbyist's informal advice on how a client feels about an issue, but Neville refuses to serve as a company's primary contact with government. "That would be a bad mistake," he emphasizes. "To send me would be an admission of weakness. Principals deal with principals, and I'm not a principal."

Government officials would become suspicious if they met with him, Neville adds, thinking that his client had asked "good old Bill to smooth one past his friends in

government." Some people still believe in "the fixer's notion of government and that the key is to hire the right guy who knows the right people," he explains. "That's naïve, and that's not how I operate or how I market my services."

Being a lobbyist means "you're selling your knowledge of how government operates and your contacts within it," he concludes. "If you don't have those, I don't know what the hell you sell."

Charles Stedman, an assistant deputy minister with Supply and Services, agrees that the work of lobbyists is not well understood. "In all the time I've had this job, I don't know of one procurement in which the political level influenced a procurement," he said in a recent newspaper article. A lot of expertise is required to write a proposal for a large government contract, and he concedes that "an ex-DSS contracting officer would know what makes a good proposal and a bad proposal, but I don't think anyone in the bureaucracy or the political level has any influence on the evaluation."

A lot of money is invested in developing a marketing plan for major procurements, with millions of dollars in the balance for the successful company, and business develops a jaundiced view of Ottawa after programs such as the proposed purchase of nuclear submarines was cancelled in the late 1980's. "They have the rug pulled out from under them and all that money is down the tubes," and part of

Proudfoot's job is to advise clients of government's intentions. "It's not a matter of whether you win or not, but you want to know that someone is going to win, or why are you doing all this work?"

Companies must believe the information they are given, and some lobbyists remember how their clients laughed at warnings that Prime Minister Trudeau would introduce the National Energy Policy. Despite the signals that were culled from politicians' speeches and from public documents, oil executives rejected the ominous forecast in the myopic belief that the measures would be an extreme intrusion into the workings of the private sector. Once the policy was introduced, it was too late for the "seven sisters" to have any meaningful impact on the policy.

The clients also want assurances that their lobbyist can reach senior decision makers when necessary. A lobbyist must be able "to know who the real decision-makers are and to identify the people who aren't always the obvious ones," says Neville. Proudfoot calls it "looking for the Sherpa who carries the bags of others," but the ability to recognize all interested players in government is becoming more difficult due to the increasing complexity of most issues.

When lobbyists finally match up their client with the proper public official, the company must be able to move beyond its narrow self-interests. Practitioners stress that government will listen only to arguments which address the total impact

that a policy decision will have on Canadian society, and the political and the bureaucratic levels will reject any company that cannot advance beyond its own vested interests.

"Successful lobbying is the marriage of *your* legitimate needs and interests with those of the government and other major players," says Neville, who claims that government officials "understand that my advice to clients is predicated on the assumption that, if your solution doesn't meet the government's needs, it's no solution."

ACCESS TO THE BUREAUCRACY

In 1973, a landmark study by political scientist Robert Presthus on *Elite Accommodation in Canadian Politics* estimated that 45 per cent of the political interaction by lobby groups was conducted with bureaucrats, and the balance with legislators. Tory leader Bob Stanfield and Liberal minister Mitchell Sharp subsequently agreed that mandarins were more powerful than MPs, and Joe Clark supported the theory in 1982 when he said that "the appointed government decides more than the elected government does." A study of non-profit organizations in 1983 by professor Al Litvak showed that 75 per cent of associations found interaction with senior bureaucrats to be "very important," while contact with backbench or opposition MPs was viewed that way by only five per cent of

respondents. Today, lobbyists calculate that 75 to 85 per cent of their contacts are with public servants, with Hughes estimating that only seven out of 100 meetings would be with any level of elected politician.

Most of his competitors have panoramic windows overlooking the Peace Tower as a symbol of their presence in Ottawa, but the glass in Bill Neville's office faces an equally uninspiring office tower next door. "The Hill is not a profound part of my business," he explains. "The popular view of a lobbyist is someone who spends 90 per cent of his time meeting his contacts in government. In my business, and I'm not unique, I spend as much of my time going the other way to ensure that my clients understand the governments' needs in a given situation, and that they try to accommodate to them."

The emphasis on interface with bureaucrats is underscored by statistics extracted from the registry. Fewer than 4,000 attempts were undertaken by lobbyists in connection with matters before the House of Commons or Senate, while more than 12,000 contacts were made to influence the development of a policy while it was being handled by the bureaucracy.

"One deals with the legislative branch and committees because the system requires it," says Neville. "When the executive branch makes a decision, the game is usually over" and there is little hope of a significant influence on the outcome.

"You're left playing around in the margins."

PAI's Pierre Fortier says lobbyists try to "keep away from a minister who has the attention span of a humming-bird" and who has so many issues to consider that he can act only on the advice given to him by his senior advisers. He suggests that companies work through all federal departments in a logical pattern, and "build up your equity before you demand your day in court" by seeking to meet with an elected official.

By communicating with government at its lowest practical level, lobbyists retain the flexibility to shepherd their information through progressively higher levels of the bureaucracy. They also know that the public service, like most rigid institutions, will close ranks against any outsider who jumps over their heads, regardless of whether the proposal receives strong endorsement from their minister.

"You don't set up a meeting with a politician at the drop of a hat because you don't want to abuse any relationships you have," explains Bertrand, who has been in the business for more than a decade and whose office features a spacious outdoor terrace overlooking the tarnished copper roofs on Parliament Hill.

Although the emphasis on confirming a policy decision or procurement is made within the bureaucracy, the secret is to supplement the "win in the trenches" with

political support at the elected level. "Those groups that specialize in hitting it just politically or bureaucratically, miss the whole aspect of the process of government," says Bertrand.

"You live by the sword and you die by the sword," says Neville. "If you operate a business largely based on the perceived or real favors you can pull in, when your favor friends are out, I guess you're out." Companies that operate on a professional basis are never in danger of obsolescence, and the only clients that will abandon him when the Tories fall from power are those that still believe lobbyists are "fixers."

COMPREHENSIVE MARKETING SERVICES

The purchase of ECL and PAI by international PR conglomerates reflects the trend of many lobbying houses to offer "one-stop shopping" for government relations services, either internally or in collaboration with other firms.

Before it was digested by the 2,000-employee Burson-Marsteller empire, ECL had absorbed its own set of subsidiaries -- a company that publishes newsletters on government activities; Ottawa's oldest advertising agency; and the COMPAS survey that yields details on the direction of federal public policies. The goal was to meet the increasingly sophisticated needs of private business that wanted more

than simple legislative intelligence, and were willing to pay for market research, analyses and forecasting, as well as a network of services to develop and implement strategies for clients trying to get their message across to government.

As owner of PAI, Hill and Knowlton can use the data from its Decima Research operation to guide the public affairs experts in the development of a strategy that will build bridges to government. Fortier will tell his clients that government is another "external audience" that needs to be educated, and the firm will train its clients on how to deal with the news media and how to stay on the agenda during its meeting with public officials. Almost none of PAI's clients, he adds, is based in Ottawa.

Even the smaller firms are adopting the trend, as S.A. Murray did when it teamed up with Continental PIR Communications of Toronto to convince John Labatt that the combined expertise of the two firms would be able to handle the beer maker's million-dollar government relations contract.

The growth of lobbying has meant that government receives "better presentations, better briefs and more complete documentation" on which to make policy decisions, asserts Bertrand. His firm provides clients with "a better understanding of the minister's office, a better understanding of the relationship between the minister and department, and a better understanding that 80 per cent of what goes

on in this town is in the bureaucracy."

In the 10 years he spent with PAI before returning to journalism, Moore says he lobbied only once, but that the role of "direct representation" on behalf of a client has increased dramatically since 1984. He agrees that the bulk of the government relations consulting business by "hired guns" continues to be in monitoring, analysis and strategic advice to clients, but he adds that "there is more direct representation than had been done before." The methodology of public policy advocacy is becoming "Americanized" with grass-roots lobbying strategies and advocacy advertising.

PROFESSIONAL FEES

Lobbyists are prime tenants of Class A office space in Ottawa, and they hang their shingle on any building that faces Centre Block and conveys the subtle image of proximity to power. The soothing colors of their rich carpets range from Neville's soft pink to Binhammer's dark grey and blue, and their artwork would make a Sotheby's auctioneer drool with desire. But the real estate constitutes only a small portion of the invoice that ends up on their clients's desks.

Various lobbying firms have estimated that the cost for their assistance to prepare a bid on a small government contract could be as low as \$5,000, while a project to

devise a strategy for a regulatory change starts the meter running at \$75,000.

Tobacco manufacturers reportedly paid Bill Neville a salary of \$400,000 a year to fight on their behalf. Canadians who lobby in the U.S. must disclose the fees paid to companies in that country, and data show that Fred Doucet pays more than \$150,000 a year to Hill and Knowlton to fight on his behalf in Washington, while a former governor of Oregon is paid more than \$30,000, plus expenses, to represent B.C. timber interests in their fight against a proposed U.S. duty on imported Canadian lumber. Many Canadian lawyers confirm that their average legal rate of \$250 an hour applies to any lobbying work they undertake.

The *Lobby Monitor*, an Ottawa-based industry newsletter that tracks the profession, has estimated that billings for all recognized lobby firms total more than \$75 million a year, and some firms are quoted as growing at 30 per cent per year.

The fee can be well worth the investment for companies with a large stake in the issue, such as the \$7-million tariff remission that S.A. Murray obtained for a steel client. However, in most cases, "the marginally-funded public interest group would have to rely on some very creative lobbying -- perhaps buttressed by divine intervention -- to compete in this league," said an editorial in the *Globe and Mail* in 1985.

Annual retainers of \$50,000 were common until recent years, but the popularity of

lobby firms that can provide a niche has inspired a trend to payments that are based on specific project expenditures. Many lobbyists report that retainers account for 70 per cent of their revenue, down from 85 per cent in recent years, and that the level of "crisis management" lobbying continues to grow, despite the greater acceptance of strategic planning in government relations among many companies.

Most lobbying houses will not divulge their client list beyond the names put on the registry, but Government Policy Consultants is reported to lead the pack with 68, while Fred Doucet Consulting and Hill and Knowlton follow close behind at 64 each. The controversial GCI is in fifth spot with 56, while S.A. Murray and ECL are near the bottom of the top 10. Although Corporation House currently lists 35 of its clients in the registry, Hughes estimates that another 100 are never put on the database because his firm only gathers information for them or lobbies on their behalf before the provincial government, both of which are non-registrable activities.

The law requires registration by individuals, not companies, and Fred Doucet recently topped the list with 59 clients, while his brother Gerald claimed 32. Gary Ouellet and Scott Proudfoot of GCI had 54 and 53 respectively, while Frank Moores listed only 32. Rick Bertrand was working actively on 28 listings, while Hughes had 14.

MIRACLES CAN HAPPEN

Lobbyists choose their words carefully when they talk about their profession.

While they are anxious to dispel any notion that they are political "fixers" with the ability to telephone straight through to the corner office in Langevin Block, they are equally averse to conveying the impression that they could be replaced by the \$20 federal government telephone directory.

Neville's office wall is replete with the requisite autographed photo of a smiling Brian and Mila Mulroney, along with similar tokens of admiration from Ray Hnatyshyn, Senator Lowell Murray, Michael Wilson, Ontario premier Bill Davis and his former boss, Joe Clark. For partisan balance, he has mementos from Liberal Prime Ministers Lester Pearson and Pierre Trudeau, but there are no photographs of bureaucrats in sight. While the "rogue's gallery" of politicians hangs on the back wall, almost an entire side wall of his comfortable office is given to a print of 'At the Crease' that is signed personally by artist Ken Danby.

A direct correlation between the influence of lobbyists and the success of their clients' input on public policy is very difficult to prove, but information in the public domain provides an interesting perspective.

Bill Fox was hired by Toronto's Ballet Opera House, a group that received an \$88-

million contribution from the Tory government for a \$300-million concert hall. GCI was paid by foreign drug companies to obtain greater patent protection for their products from the Conservative administration. The record industry was able to secure a \$4-million development program, thanks to the assistance of a PAI staff member who had formerly been a legislative assistant in the Department of Communications. To help Rider Travel Group bid on the lucrative federal travel contract for public servants, ECL used a former assistant deputy minister from Supply and Services, who knew what sales pitch would influence his former department to transfer the contract from Marlin Travel.

S.A. Murray freely distributes a not-so-subtle promotion kit, which claims credit for obtaining the only tariff change to the Canada-U.S. free trade agreement, an amendment to the Criminal Code that allowed General Motors to export armored vehicles, and the sale of a \$660-million federal air traffic control system by Hughes Aircraft. The brochure tells how it has helped other clients to consummate procurements ranging from \$50 to \$380 million, and brags of its ability to convince the Ontario NDP government to relax its philosophical opposition to foreign ownership of utilities long enough to approve the sale of Consumers Gas to a British concern, perhaps due to the fact that its vice-president had formerly run the provincial energy board.

One high-profile issue in which a Tier One professional was personally linked with

a lobby campaign is the smouldering fight over tobacco use in Canada. After leaving PAI, one of Neville's key roles was to head the Canadian Tobacco Manufacturers Council, where he was paid by Imperial Tobacco, Rothmans-Benson-Hedges and RJR Macdonald to fight higher taxes on the industry and the restrictions on cigarette advertising, specifically Bill C-51 and its emphasis on the rights of non-smokers. He authorized expenditures of at least \$2 million (and critics estimate as much as \$6 million) to fund an advocacy and letter-writing campaign which effectively re-focused the issue from health concerns to the right of free speech.

Full-page ads placed in dozens of newspapers by anti-smoking forces warned about "the Neville factor," and stated that this "friend of the Prime Minister" is "perhaps the most powerful lobbyist in Canada" with "impeccable" credentials. "Given the enormous death rates caused by the tobacco products (that) Bill Neville is defending, there is a danger that every point he wins and every compromise he extracts could have the potential to translate into tens of thousands of deaths over time," continued the ads. "Will the influence of a powerful industry and a skilled lobbyist over-ride the 50,000 scientific studies" which link tobacco to cancer, they asked.

"When you've got a bill with broad public support, undeniable health benefits, a minister committed to it, and 200 MPs to vote for it, you'd think it was a sure

thing," observes journalist John Sawatsky. "Under those circumstances, the fact there was doubt that Bill C-51 would go ahead is quite a tribute to Neville."

The anti-tobacco forces "found it convenient to make a bogey man out of me," laments Neville, who claims that his opponents were able to convince health ministers that, "if you're seen with this guy, you're guilty of treason." His involvement in the issue was "a classic case of bad lobbying" because he had little room to fight after Ottawa introduced the bill. "I could rattle off other things where I think I've been a winner" in lobbying, he adds, but his work on Bill C-51 is not one of them.

Despite the "no smoking" signs throughout the marble lobby of his prestigious 99 Bank Street address, Neville leans back in his chair to take another long puff of his Salem Light, and apologizes for being late for the interview. "I was waylaid by the PMO," he explains.

"I've done as good a job as could be done for this industry but it's a difficult issue," he explains. "The tobacco issue can't have a dialogue and there is no meeting in the middle. It's a zero-sum game, as too much lobbying is." However, he admits that his lobbying strategy did have some impact on the regulatory process. "I like to believe that, if there is some common sense in what you're proposing, some of it registers" with public office holders and the general public.

THE LOBBY MONITOR

To keep a scorecard on the various players, their shifting coterie of clients and the perceived "success" of their undertakings, the *Lobby Monitor* has become the indisputable leading consumer of information from the registry. The brainchild of former PAI president Sean Moore, the publication comes out every two weeks from a low-rise building in a suburban Nepean commercial strip for a small but loyal subscription list of practitioners, companies that employ professionals, academics and journalists. While most of the content simply re-sorts and regurgitates the names of new clients, it adds analysis and anecdotes to liven the stories and to justify the \$600 annual subscription fee. Its monthly companion, the *Lobby Digest*, examines such issues as "Multiple Registrations: Future Trend or Present Aberration?" Moore will also tailor special reports, based on a specific subject area of interest to the client, at additional cost.

"The *Monitor* is like a record of train movements in an enemy country," explains journalist Frank Howard. "If you see a lot of train traffic moving towards the border, you say, 'This looks like mobilization for some kind of issue.' As soon as it's on the registry, you ask why." Such a red flag was dropped recently when the registry noted that Air Canada has engaged Bill Neville and Gary Ouellet to garner support for the Montreal-based company, located near the riding of Transport Minister Jean Corbeil, while Canadian Airlines has hired Harry Near and Bill Fox

to see if they can gain support for the Calgary-based firm from local MP and Finance Minister Don Mazankowski, in a battle that may decide the future viability of Canada's two major airlines. Howard also uses the newsletter to track where bureaucrats migrate as they leave the Hill, as one way of spotting possible conflict of interest situations or violations of the post-employment guidelines.

A former reporter who left PAI in 1987 after 10 years in the lobbying field, Moore says many lobbyists "are pissed off at us," but he feels that they should be happy that his publication serves as a safety valve for the industry. If the *Monitor* does a story, it rarely is picked up by the conventional media, thereby avoiding profile outside the Ottawa practitioners. His newsletter has also reduced the amount of conflict among companies, he believes, by making it easy to see which other firms are paying their lobbyist for services.

Tier One lobbyists have different views on the role of the newsletter. On one side, Hughes says the publication creates jobs but does little to promote better relations between the private sector and the government, while Fortier strongly believes that "it's a mug's game to get involved with who's got who, and who is doing what to whom."

At the other end of the spectrum, Rick Bertrand is a *Monitor* groupie who credits Moore with the ability "to nail stories down pretty well." Skimming quickly

through a recent issue, he points to a number of articles which he praises for their insight into the activities of lobbyists, but notes that very few are picked up by the mainstream news media.

While they may not agree on the value or the content of the publication that has become the *de facto* authoritative journal of their profession, the lobbyists are firmly united in their lack of respect for mainstream commercial newshounds who write stories about lobbyists.

"Most of what is written about lobbying is pure dribble, but government is dribble-driven," laments Proudfoot. "There was a lot of shit out there, but people keep recycling it." One positive aspect of the law was that it helped to shatter the mystique of lobbying and "we removed ourselves as fodder for the media simply because there wasn't much value in discovering what we were doing."

Most politicians and journalists view the registry as a major tool to assist reporters to unearth scandals, but many lobbyists reject this value on the basis that Canadian journalists are not strong in the area of investigative reporting, and that many are more interested in pursuing their strong personal vendettas against the federal government, and the current Prime Minister in particular. "To be quite crass about it, reporters aren't interested in the good standard ordinary stories," complains Bertrand as he points to numerous articles in the *Lobby Monitor* that have gone

unnoticed by the conventional media. "What they are trying to find is, did someone pay somebody behind the scenes to influence government. You can file a 70-page document, and those kinds of stories just don't come from that sort of source."

After 20 years of public concern and almost four years of intense debate before controls were finally placed on lobbyists, the rationale for the legislation remains in dispute for many people. The stated objective was to enhance the transparency of communications with public officials, but the number of loopholes and the lack of any enforcement of the law has many people wondering if the exercise is worth the effort.

CHAPTER FOUR

IT'S NOT CLEAR THAT TRANSPARENCY WAS THE ISSUE

As registrar of the branch, Corrine MacLaurin has a lot of information to compile for the upcoming review of the Act, and the Tier One lobbyists freely volunteer their comments about the problems they have encountered with the regulations during the past three years of operation.

When the law was enacted, some "Government Relations Consultants" in the Ottawa phone book refused to register, claiming that their work to ferret government information on behalf of a client was exempt from the Act. With time, the administrative simplicity convinced them to comply, and they admit that few clients complain about the need to file. "Some of them find it kind of weird or are taken by surprise, and some of them are a little bit scared (about the issue of confidentiality) but, once they understand how mundane the information is in terms of corporate information, they're usually pretty easy-going about it," says Richard Binhammer in S.A. Murray's executive suite.

The professionals often don't know the vertical chain of their clients' parents and subsidiaries, and cannot always obtain the information. Mercedes Benz is a client of Corporation House, and listing all the subsidiaries of the Daimler Benz empire

was "like writing a telephone directory," remembers Sam Hughes. He thought an acceptable short-cut was to file an organization chart from the annual report, but the practice was subsequently banned in favor of complete disclosure. "The law doesn't distinguish between interested parents or subsidiaries; it just says list all the parents and subsidiaries, and that's dumb."

The professionals continue to be vexed by the interpretation of what constitutes communication for the purpose of influencing a public office holder, as opposed to a simple phone call to seek background information on a policy issue. "If you're cautious, you would register anyway because, at the end of the day, you have a personal liability," suggests GCI's Scott Proudfoot. "You don't want to get into the situation where the person at the other end of the line thinks you're lobbying, you may not think you're lobbying, but it then becomes the subject of an investigation."

Binhammer has clients on retainer who will call at any time of the year to ask a range of questions which require research on his part. Instead of filing a form for each undertaking, he starts the year by identifying subject areas he expects to address for each client, and files only one form to cover the entire year. "It seems to make a lot more sense from my perspective and the registrar's, as opposed to getting a new form from me every two weeks."

Another irritant is the need to register a staff member who arranges a meeting on behalf of a client. Under certain conditions, a secretary would qualify as a lobbyist if she telephones a public official, obliging her to register within 10 days and to de-register "as soon as practicable." On an average of once a week, one of Hughes' employees falls into this grey area and his solution is to staple both forms together and file them at the same time, in a move that he calls "dumb bureaucratic paperwork."

When in doubt, most companies register the undertaking, preferring to comply with a "silly rule" than to risk the fine of \$100,000 and two years imprisonment that the law prescribes for violators. Most firms now have a standard process to ensure that the proper forms are registered on a timely basis, but Proudfoot complains that the initial set-up costs were insignificant compared to the time required "to figure out what in hell we were expected to do under the Act."

Like his colleagues, Binhammer has developed a good sense of which activities must be reported and, with an occasional clarification from the Branch, he usually ends up registering. "Why wouldn't we? The system has been built in such a way that you're bound to err on the side of caution." As a result of the requirement that lobbyists notify the Branch in writing after they have completed their work on each issue, Bertrand worries that a number of practitioners may be caught for failure to de-register, but the Branch has started to ask lobbyists if they are still

working on behalf of that client after the name has been listed for more than a year.

Some lobbyists are annoyed that certain firms list as many clients as possible to make themselves look powerful and influential, and they accuse some competitors of using the database as a list of potential clients that they can raid. A firm often criticized in private for such raids is Government Policy Consultants, run by former Mulroney aide Jon Johnson. A large billboard at the Ottawa airport, extolling the value of GPC's lobby services, is symbolic of the company's direct and hard-hitting marketing efforts. Lawyers are also chided for their sales overtures to existing clients, although *Globe and Mail* reporter Ross Howard speculates that much of the criticism is motivated by jealousy.

BASIS OF THE LAW

Despite criticism that it was Frank Moores' style that brought the cards crashing down, most lobbyists bristle at the insinuation that Bill C-82 was a reaction to any impropriety in their activities.

"There wasn't a problem *in fact* which created the legislation, but there was a problem *in perception*," explains ECL's Bertrand. "Since lobbying deals a lot with perception and politicians deal with perception, therefore, there was a problem."

The lack of any regulations at the time created a public perception that something was happening, and the publicity generated by Moores' activities at GCI "brought the perceptual problem to a focus, at which time the government felt it had to act."

UBC's Stanbury insists that the real problem in 1985 was conflict of interest among Mulroney's ministers. Setting up the registry was a classic example of "political displacement, where the problem is 'x' so you announce a solution to 'y' instead." There were real concerns with the new style of lobbying exemplified by Frank Moores "and the connection of a number of new firms directly through the political party," but Stanbury calls it "naïve" to introduce a law on the pretext that the public service needed to know who it was speaking with. "The alleged major purpose of the Act was an absolute non-problem" and the law may give the public an illusion that it protects the system against "the implicit or explicit exchange of favors or insider information."

"It does absolutely nothing to prevent that and, if it gives it a respectable gloss, it's the cynicism of it that I object to," he adds. "I'm not against the registration of lobbying, but I am against cynical bullshit and the standard Canadian hypocrisy where you give the impression of protecting the public from some nefarious activity when, in fact, you are doing absolutely nothing of the sort."

The negative profile for lobbyists in general, and GCI in particular, "was just

another way of playing the partisan game in Ottawa," complains Proudfoot. "It was just a media and opposition issue," and a way of attacking "the people in politics who they thought we were unduly closely associated with."

"We were a convenient target," he gripes. "From some people's perspective, without really understanding how the industry operates or why we did so well, we seemed to have come out of nowhere and suddenly been very successful. People came to very simple, easy conclusions that revealed their lack of understanding of how the system actually operates."

PAI's Fortier believes that the legislation was politically motivated and, "whenever something is politically motivated and not thought through properly, it misses the mark." He suspects that the behavior of Frank Moores may have triggered a set of circumstances that led the government to ask itself, "How can we protect the poor unsuspecting public servant and politician from being ravaged by those callous people out there, whom we are sworn to serve?" Politicians should have outlawed certain behavior by themselves and their bureaucrats, but they chose instead to set up rules so that lobbyists "have to go through a myriad of hoops and, by the time they get to us, we will have seen them coming and we will be alerted accordingly."

Former PAI chairman Mark Daniels has said he did not like the idea of legislation

when he was deputy minister in charge of developing the registry, nor did he like the law when it was enacted. "It's not that I oppose the idea," he said at the time. "It's just that it's bad law."

"C-82 has done what the officials expected it to," says Hughes, as he excuses himself from an interview to accept a telephone call from Don Blenkarn, from whom he seeks clarification on the work of the MP's committee. "It hasn't brought forth all the evils that the government relations community anticipated, but it also hasn't been a pain in the neck."

Bertrand insists that the registry has shown that "there was not a problem before and there is really not a problem today. I may be naïve and there may very well be some people or firms who may be sleazeballs, but I personally am not aware of any of these situations, not then and not now."

One justification for implementing the registry was the argument that Tier One lobbyists were skulking around Ottawa without telling public officials the name of their client, but the lobbyists say this idea was absurd. "It seems to be incomprehensible" that someone would not divulge the name of their client, splutters Proudfoot in exasperation. "One doesn't simply call up government for the hell of it; government is not inherently interesting. People call up government for a reason, and lobbyists call up government because their clients have interests."

Binhammer adds that this firm "never lobbied without telling government who we represented," and he insists that, if public officials ever wanted to know who a client was, "all you had to do was ask."

The only exception appears to be in a 1985 article in the *Globe and Mail*, which said that at least one individual did not always divulge the name of his client. The article quotes Bill Neville as saying, "I've always operated on the basis that if they ask who my client is, I'll tell them. Some ask, some don't."

The current law does not oblige a lobbyist to divulge the name of a client beyond the filing in the database. If that individual represents more than one client, it could be difficult for a public office holder to discern the true identify of the client by searching through the registry.

NOT ASLEEP

When it became obvious that government was serious about controlling their profession, the practitioners lobbied among themselves to impose a system of self-regulation. As recently as last year, senior players were meeting to discuss Bertrand's unsuccessful efforts to form an Institute of Professional Government Relations Consultants. He suspects that some practitioners don't want to get involved "because they don't want to be associated with other people in it."

"We've come a long way" but there is a lack of consensus on what constitutes lobbying, adds Bertrand. "It's an uphill battle to convince people that lobbying is not sleazy, and I don't think a lot of people are ready to fight that battle." He remains opposed to a major overhaul of the Act, because "there's not a problem with the profession."

"We weren't asleep" when government rattled its sabres for regulatory controls last decade, insists Neville. "The problem is that I've never been able to figure through a self-regulatory process that I thought was credible. I'm very reluctant, in a business like this, to get into the notion of setting rules or standards for my competitors."

There are some "very strong feelings held by some of the lobbyists about some of the other lobbyists in this town," explains the *Lobby Monitor's* Moore. They would like to work together on the industry's image, but they want to avoid giving "innocence by association and they don't want to be considered in the same group as some others." The idea of self-regulation will not work and the professionals "would be at each other's throats in no time."

The first attempt to legislate lobbyists was made in 1969, and some of the practitioners wonder who the target was at that time. ECL only set up shop in 1968 and PAI started five years later, although Corporation House had been

performing trade functions for years and the letterhead of many legal firms offered to serve as "Parliamentary Agents" with their stables of former ministers.

"We're too anachronistic," concludes Proudfoot. While the professionals may prepare a common submission on the review of the legislation this fall, he says most agree that a self-regulated industry is not possible in the near term.

Many lobbyists suspect that the Mulroney administration took so long to establish the registry because it was ambivalent about the database, which provides a continual potential for scandals involving government officials. "Just because they're elected and just because they're ministers, doesn't mean they're smart," Fortier says of politicians from all parties. The Tories had no option but to enact the law, similar to Joe Clark's obligation to introduce access to information laws because his party had campaigned for it while on the opposition benches.

FOLLOW THE LEADER

Since the registry was established in 1989, registrar Corrine MacLaurin says there has been strong interest in the federal legislation from other political jurisdictions.

The British Select Committee on Members' Interests visited Ottawa in 1990, and recently tabled a report that reflects the Canadian distinction between third-party

and employee lobbyists. As in Canada, the concern in London is with paid professionals, so "they're looking at an approach that would deal with Tier One first, then at the Tier Twos after they have resolved the problems with Tier One," explains MacLaurin. In addition to a code of conduct, the British committee tells consultants how to handle internal conflict of interest, a concept that would cause "absolute mayhem in this country," says Moore. Australia has also shown interest in the Canadian law.

The legislature in Nova Scotia recently considered a bill that would call for disclosure of client fees, an investigative role for the registrar, and expansion of the definition of lobbying to include influence of appointment to public office. "It appears as if people are reading the federal Canadian legislation quite closely and it would appear that there are some elements that are being studied very carefully by other jurisdictions," says MacLaurin, who checks periodically with other provinces to see if they are thinking of controls.

Lobbying in the U.S. has been more entrenched than the practice has ever been in Canada. In the mid-1800's, it was illegal to be a lobbyist in California; Massachusetts was the first American state to legitimize the activity, about a century ago. Today, 48 U.S. states have legislation and there is a move underway to amalgamate three separate federal laws into one omnibus bill that would require federal lobby groups to file semi-annual reports with the U.S. Office of Ethics.

Democratic Senator Carl Levin, chairman of the Senate Governmental Affairs subcommittee, introduced a bill to force more disclosure of lobbyists' activities, including their earnings. "The situation now is that most lobbyists ignore the existing laws," Levin is quoted as saying. "What we are trying to do is find out who is lobbying for whom and for how much money."

Although the reporting regulations for the U.S. Registry of Lobbying are more onerous, the current law does not force compliance if dealings are only with salaried public servants on domestic issues, and not with politicians. It also does not cover any efforts to influence the bureaucratic interpretation of legislation.

"Lobbying is a function of the size and complexity of government," says Proudfoot, who believes that most legislatures could be lobbied part-time because the provinces are more approachable. Many firms are setting up offices in provincial capitals to lobby in areas of the constitution that are affected by deregulation and jurisdictional devolution.

If a registry works in Ottawa, Hughes predicts that "it probably would work well at Queen's Park" if there is concern with possible abuse, but he warns that "it would be wildly burdensome at the municipal level where you get a whole lot of little issues." John Rodriguez strongly disagrees, stating that "there is great suspicion that the relations between developers and municipal political leadership

is very tight." A registration Act is needed at the municipal level "more than ever," he adds.

Concern over the influence of municipal lobbyists in 1988 prompted Toronto Council to adopt a code of conduct for aldermen, which includes a public register of lobbyists and the agenda items or applications on which they lobby. Former alderman David Rotenberg, a prominent Tory who chaired a task force to investigate allegations of influence peddling by property lobbyists, said disclosure would increase public confidence in the political system. Lobbying "is an honorable profession," he told Council, and one of his colleagues added that it was unfortunate that Council had to "cater to the perception" that there are dishonest dealings in city politics. Council defended the action as necessary to protect the morality of the city, despite a court appeal from the Law Society of Upper Canada on the basis that it jeopardizes the confidentiality of the solicitor-client relationship.

It is alleged that some property developers are "exceptionally well connected," according to an article in the *Globe and Mail* on the Olympia & York Developments real estate empire. "Over the years, they have recruited dozens of civic bureaucrats to their own payroll, giving O&Y an enormous advantage in obtaining the zoning changes that can determine a project's profitability."

MEDIA INTEREST

MacLaurin spends "a fair amount of time" searching the database for the news media and helping journalists to understand what information can and cannot be extracted. In a story, "the word 'lobbyist' may be mentioned and, occasionally, it goes so far as to say 'registered lobbyist,' but that's the extent of the association with this program." Media interest in the registry has dwindled since 1989, with some exceptions, but she expects that coverage will pick up as the review approaches and the impact of the law becomes a news angle again. Proudfoot agrees, predicting that the media will run the "same old three paragraphs about GCI" before the interest fizzles away again.

Early interest came from "the media looking for steamy information on ministers' friends," said John Armstrong, shortly after his appointment as the initial administrator for the registry. "They're all digging around happily in there but, after a while, they'll be fed up with it." The original plan had been to make the information available on an on-line public database such as *iNet*, and he predicted that use of the information would play a major role in whether the registry continues to exist after the parliamentary review.

Many lobbyists are surprised at how little attention the registry attracts from the mainstream news media. They had expected the listings to generate a scorecard of

which clients were using which lobbyists but, with the exception of Moore's *Lobby Monitor*, journalists are not using it for that purpose. If practitioners were required to file more information, the registry would become even more of a tip sheet for journalists "to keep them entertained and to feed the partisan machinery," predicts Proudfoot. "It creates a lot of sound and fury, but it doesn't create a lot of insight. We're an entertainment item, and most of it is crap."

Information in the database allows professionals to monitor which companies and which lobbyists are battling their input from the other side of the table. Rodriguez promotes the listing among small associations as one method to identify potential allies with whom they can pool their resources in a coalition, although there are no firm examples of this use.

In addition to the perception of influence peddling from the Moores incident, Liberals were being removed from plum government contracts in favor of Tory supporters. "The lobbyists thus joined the pollsters and admen, long since arrived in federal politics, to form the new triumvirate of clients at the top of the political patronage system," says Jeffrey Simpson in his book, *Spoils of Power: the Politics of Patronage*. "With the important twist that the pollsters and admen got their patronage directly, while the lobbyists received theirs indirectly through retainers and percentages from clients."

The new government signalled that "political pressure, and not economic reasoning" would determine public policy, argues Simpson, who cites numerous cases where politicians overruled objections from public servants to fund billions of dollars to farmers, oil companies and steel plants. The role of partisan politics came to a head when cabinet funnelled the CF-18 maintenance contract to Canadair of Montreal, and ignored the recommendation of 75 aviation experts that the qualified bidder was Bristol Aerospace of Winnipeg.

VIOLATIONS OF THE ACT

Despite years of growing public mistrust over the activities of lobbyists and almost three years since the registry was put into place to control the perceived abuse, there have been only two investigations into violations of the Act. Both failed to result in prosecution.

Early in 1990, based on an article in the *Lobby Monitor*, a complaint was filed with the RCMP against Charles MacMillan, brother of former Tory minister Tom MacMillan, for "alleged failure to file a return required by the Act." The story alluded to discussions between MacMillan and public officials but, following a six-month investigation, the RCMP determined that there had been no improprieties in the case and it was dismissed.

The second case was triggered in January, 1992, as a result of a front-page article in the *Globe and Mail*, which alleged that Jack Horner had tried to influence a number of cabinet members in connection with a deal for airport landing rights. Although the former minister is quoted as saying that he did not register as a lobbyist because he believed he was acting in the general interests of the travel industry, Horner filed suit in a Québec court against Air Canada for more than \$2 million that he claims to be owed for his negotiations on behalf of the carrier.

The case against the Albertan was dropped two months later when the RCMP said charges could not be laid because the alleged undertaking had taken place more than six months before. Cooper and others insist that they were unaware of the statute of limitations, and Sean Moore warned that the existence of a time limit, plus the lack of monitoring and enforcement provisions, "raises the question of whether the Act stands any hope of ever being enforced."

Anonymous sources often inform MacLaurin that a non-registered lobbyist has communicated with or had a meeting with a public office holder, but "it's not clear what the objective of those communications was and whether it was, in fact, registrable activity" as opposed to simple gathering of information for a client. Few allegations are substantiated in writing, and her standard procedure is to send an information kit on the legal requirements to the alleged offender, although she does not follow up to see if that person subsequently registers.

MacLaurin stresses that she has no power of research or enforcement, nor is her office responsible for tipping off the RCMP. "The Act assigns the role of information and education to us, and you have to look quite carefully as to whether or not going that step further to contact the individual isn't, in fact, getting very close to an investigative role."

Few journalists consult the registry, preferring to rely on the *Monitor* for their news of the sector. Even fewer lobbyists have wound their way through the Place du Portage complex to view the high-resolution computer screen themselves, although many have called the registrar to clarify an interpretation of the law. Corporation House assigns staff to ensure that its activities are recorded accurately and to track people "who are probably taking positions contrary to our clients' interests," says Hughes.

"I've never consulted the actual registry," admits Rodriguez who receives a periodic printout of the database. He asks visiting lobbyists if they are registered and, if not, suggests that they follow the provisions of the law. The onus is not on public office holders to verify compliance, but he wants to stress the importance of the database. If he were to meet inadvertently with a non-registered lobbyist, he would say, "I'm participating in an illegal act because you're not registered and you're supposed to be."

Binhammer has never had a politician or a public servant ask him if he is registered, nor does he believe any of them have ever checked on the subject matter pertaining to his visit.

It's easy to be an armchair quarterback and critique the strengths and shortcomings of federal legislation, but the valid concerns of insiders and outsiders in the lobbying profession will have an opportunity in the fall of 1992 to explain what provisions of the Act are acceptable or need revision.

The battle lines are quickly forming, as the lobbyists push for the status quo, and the journalists lobby for more disclosure of information that can be used in their media.

CHAPTER FIVE

CLEAN UP THE ACT

John Rodriguez looks forward to the review of the Act with an undisguised intention to strengthen the law based on the experience of the last three years.

"Before the bill ever came in, the unwashed masses always felt that it was *who* you knew that got things done," he remembers. "So there was a very cynical view of politicians ('there still is a cynical view,' he adds dourly) that the politicians and their flicks and flacks and all the lobbyists and the in-group were able to pull strings, and they saw us all as together."

The lobbyists were wrong when they warned that a huge bureaucracy would be needed to handle the registry, Rick Bertrand admits. With only four staff, the office "is not a massive organizational structure, not a policing organization, and has not been a major government problem or headache."

Albert Cooper does not want to "get carried away and create another bureaucratic nightmare. We have a fairly simple system that is working fairly effectively," and he sees no need for a massive overhaul. He is intimidated by the California model, where they have a "technically perfect system but the information was so overwhelming, it was snowing everyone" with paper. The administrators

complained that the sheer volume resulted in "pure luck when they spotted something abnormal," whereas, in the Canadian system, "Horner showed up and he showed up quickly, and that's the type of system I like."

Columnist Frank Howard likes the law because he knows "a lot more about who is seeing whom on behalf of whom" than he did before, when he would find out only after an interview that the person he had been talking to was a player in the game. His colleague with the same last name at the *Globe and Mail*, Ross Howard, calls the Act "terribly flawed," although he agrees that the "modest requirements of disclosure have revealed the range of influence" and have helped to enlighten the general public.

FEE DISCLOSURE

One of the major issues to be debated during the parliamentary review of the law will be the controversy over whether lobbyists should be required to report the fees and expenses paid by their clients. "There have been a lot of loud signals sent out," says MacLaurin, including a private bill from Liberal MP Francis Leblanc to amend the current law, Don Boudria's discussion paper on the need to place such information on the public record, as well as the recent bill in Nova Scotia.

The consensus report from Cooper's committee in 1987 recommended that such

information be released. Stanbury explains that knowing how much a client is willing to spend to influence public policy can indicate the intensity of his interest, and Rodriguez points to the anti-smoking coalition as an example of where such information could be very useful. If they know how much the tobacco companies are spending to defeat Bill C-51, he says they can plan their counter-attack accordingly and chase after the necessary resources to win the conflict.

"I don't need to know every time a lobbyist buys a coffee (for a public office holder) but I want the ballpark figure," he says. "If we know who is doing what to whom and for how much, a press person would be able to look at that and wonder what they're spending it on. Then all kinds of very creative investigative reporting can take place." Boudria wants the disclosure of fees to be reasonable, and to reflect the distinction between "buying someone a hamburger at McDonald's" and flying a politician to Paris for dinner at a riverside cafe. He is obviously not in favor of copying the bureaucratic system of California, where lobbyists must file receipts for all expenses over \$15.

While some professions in Canada are subject to regulatory control of wages, no private group currently is obliged to divulge details on the fee it receives from a client. The lobbyists are united in their disdain for the idea, noting that disclosure would be discriminatory and would not increase transparency of government relations, which is the stated goal of the legislation.

"What a client pays to a consultant is no one's business," declares Pierre Fortier at PAI's office on Metcalfe Street, who wonders if disclosure might be contrary to the Charter of Rights. "Where is the chain of logic that says the public has a right to know how much a lobbyist gets paid?" Since no other industry is required to show what their private fees are, GCI's Proudfoot says "we don't see any particular reason why we should be, all of a sudden, singled out."

ECL's Rick Bertrand adds that fee disclosure "will not deter, to one iota, what's going on out there," and he warns that the proposal may require an amendment to the Corporations Act dealing with the privacy of company returns. Telling the world how much he is paid by Abitibi Price will not reveal anything about that company's activities, and he adds, "I really don't think it's going to have much of an impact on the lobbying industry because people are discovering that it's not a hide-behind-the-scenes sleaze."

"As a matter of principle," Bill Neville insists, "government should not write laws that it can't credibly administer." He suspects that certain MPs want the information "to create the notion of Davids and Goliaths and big bad guys spending money," but the goal is based on a desire "to relate the U.S. lobbying experience to Canada in a way that, in my view, shows a basic lack of understanding of some fundamental differences."

Even Albert Cooper, although he agreed to support the recommendation, agrees that fee disclosure "is just voyeurism. What difference does it make to me if a guy makes \$10 or \$10,000 to lobby? if I knew how much they're getting paid, I might treat them differently, but the bottom line is that I shouldn't. I should treat them on the merits of their case and it doesn't matter what they're paying."

Paul Pross calls the interest in fee disclosure "a bit of a crock," and he has tried to convince Rodriguez to drop the issue. "It doesn't really tell you a great deal, while it does damage the lobbyists," and he considers the idea to be "not of public interest, but of tabloid interest."

While he disagrees with publicly filing the total fee received from a client, the Dalhousie professor strongly favors a system to disclose project expenses as a method to "enable you to label what they are doing and to put a global figure on what the interest is prepared to spend." Journalists spend a lot of time trying to track the money spent by corporate interests to influence the direction of legislation, such as Bill C-51 on tobacco advertising, and "what is of public interest is to see how much the industry is prepared to put into trying to defeat" that bill. He admits that it would be impossible to devise a system that would catch a truly unscrupulous lobbyist.

Project disclosure would be "a nightmare," counters the *Lobby Monitor's* Moore.

"It would drive these guys nuts." Lobbyist rarely deal with only one issue for a client, and reporting expenses for inter-related projects would be very cumbersome. "The important thing is to keep it real simple," although he wonders if lobbyists should be obliged to report their expenses on activities such as advocacy advertising, direct mail campaigns and public opinion sampling.

If politicians demand more disclosure, the lobbyists warn that the administrative burden will jam the entire system and force the Branch "to grow by leaps and bounds" to handle the exponential increase in work, thereby jeopardizing the registry's objectives of clarity and administrative simplicity.

Corporation House would "make a lot of money, from what I hear," says Hughes, who bases his fee on the resources needed to do the job as opposed to "the depth of a client's pocket." If disclosure showed that his fees were low, "we would be able to move them up very quickly," but he adds that disclosure would be "another dumb initiative."

Unless fees are disclosed in a comparative form, "you run a very real risk of opening up misguided comparisons," warns Binhammer. "If you want to know how much Labatts pays me to lobby on behalf of alcohol, then I'll do something to my fee structure that will represent *that* component as opposed to everything else" he does for the beer company. "I'm sure (investigative journalist) Stevie

Cameron would love to write an article on what different companies charge, but it doesn't tell you a bloody thing," and Binhammer says government should be more concerned with chasing violators of the law.

"If you're in the marketplace and you want to buy lobbying services, you have every right to know who charges what," but Binhammer notes that people can discover how much lawyers and accountants charge, even though those groups are not forced to divulge their fees. "To have everyone in this city put their price list in the newspaper is a different question."

Neville is critical of the current system of identifying subject areas, which he says "is virtually worthless since the all-too-common practice is to fill in as many boxes as the imagination allows and thus hide the real focus of the lobbying assignment amid a myriad of subjects." He wants the review to examine how this process "could better serve transparency rather than obfuscation."

Checking off every possible box on the form may be an attempt by lobbyists to ensure that they do not run afoul of the law, but Sean Moore agrees that a priority of the review should be to stop the practice. Although the *Lobby Monitor* makes money out of "cutting through the bullshit to see who is doing what," Moore wants more specific information to be filed, such as the actual procurement that the lobbyist is trying to secure, similar to the requirement in the U.S. where he used to

lobby. "It's not onerous because they know what they're working on; they just have to put it down on paper."

Columnist Frank Howard warns that there are many unique ways to hide activities, including the release of "so much information that it's hard to know what your real interest is, to confuse like chaff on radar" although, as a journalist, he welcomes any additional information as a basis for following up on more stories.

POLICING

Other countries empower their registrar to enforce the law, but compliance with Canada's legislation is policed by the RCMP. MacLaurin declines to speculate on whether the law would be more effective if she had such power, explaining that "there are disadvantages to going that route, as well as advantages" because the RCMP currently has the resources and the legal authority to perform the task.

"I'm not saying they shouldn't have investigative authority or a system to track and turn things over to the RCMP," says Binhammer. "I'm just not completely comfortable with bureaucrats going out and laying charges," and he thinks that additional power to the registrar may require a system of tribunals similar to combines investigators at Corporate Affairs.

"Right now, the registrar depends on lobbyists to blow the whistle on another lobbyist, and I think that's too much to ask," says Rodriguez, who wants a spot-check of data to verify the information supplied to the registry. "There is no mechanism in force or staff to verify the information, so it's more or less an honor system. If there were some system to do a post-register check, like income tax does with an audit, you may turn up infractions."

Cooper takes the middle road, recommending that the registrar be directed to do a quick investigation and, if something is amiss, have power to direct the RCMP to undertake an investigation. "If someone is flouting the law, let's go after them and show everybody that this is a fair and transparent process; that's all people want," he says. "I don't want to see someone fall through the cracks because of a technicality or a bureaucratic slip-up."

TIER TWO

As they discussed the growing power of lobbyists in Ottawa, the politicians quickly realized that non-profit associations were becoming another influential player in Canada's pluralistic system of governance. The distinction between the different tiers surfaced in 1983 during discussion on a private bill, when Liberal MP Gary McCauley argued for different treatment of "special interest" advocates from the "public interest" groups that have no financial gain from the causes they

support. "They want a better society and they challenge politicians, bureaucrats, businessmen and others to take into account, in their decision-making, aspects of the public interest that might otherwise be overlooked or not given proper weight," McCauley said at the time.

Although media coverage often mentions the public sector background of Tier One lobbyists, the professional credentials of Tier Two officials provides equally compelling reading.

Liberal health minister Judy Erola left the Hill to head up the Pharmaceutical Manufacturers Association as the organization was gearing up to battle in favor of patent licensing. John Evans, parliamentary secretary to finance minister Allan MacEachen in finance, shuffled three blocks down O'Connor Street to run the trade association for trust companies. Stephen Beatty, brother of a senior cabinet minister and former chief of staff to Ray Hnatyshyn before the latter was appointed Governor General, took over the Canadian Apparel Manufacturers Institute as the domestic clothing industry was lobbying for continued trade protection from low-priced imports. Tom d'Aquino left his work as a professional lobbyist with Intercounsel to become staff president of the blue-chip Business Council on National Issues, an oft-quoted group that heavily supported free trade.

While most people appear to be more concerned with the activities of Tier One

lobbyists, there is less consensus on the implications of undertakings by Tier Two organizations due to the diversity of non-profit groups which can range from marginal charities and community interest groups to the mammoth institutionalized organizations such as the bankers or medical associations.

"The risks to the government, if there are any, are different; we act differently," says Hughes, who has been a lobbyist with both tiers and supports the distinction. "People such as ourselves, who are representing a large number of clients, ought to be distinguished from an individual who (politicians know) is representing just that one client."

Cooper also likes the difference between the two tiers. "The ones who are very difficult are the guys who walk up to you at a reception and start chatting to you, and you're getting lobbied but you don't know by who and for what. Those are the ones that need clarity and clearness."

John Rodriguez, during debate on Bill C-82, said "the most powerful lobbyists around town are the association heads representing conglomerates of considerable financial wealth," and he still wants Tier Two lobbyists to classify their activities by subject field, as an absolute minimum restriction. He accuses the government of capitulating to lobbyists who wanted the distinct tiers, and he remains committed to removal of the distinction because "a lobbyist is a lobbyist is a

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lobbyist. I don't care if he's in-house or out-house."

In terms of testimony before committees, "only the expert associations get involved and they are much more sophisticated than any lobbying firm in town," says Fortier. Associations often are the only groups with sufficient expertise to become involved in the review of proposed legislation.

According to Pross, there are "some pretty smooth characters" in association work. "People who are up to no good could easily put up an interest group and say they represent an issue, but they would have very little surveillance."

Late in 1991, Toronto millionaire John Bitove helped to found the Canadian Macedonian Society "to front the lobby campaign" for diplomatic recognition of the tiny Yugoslavian state, reports the *Globe and Mail*. Bitove, who raised \$9 million for Mulroney's 1988 election campaign, has hired Fred Doucet and a number of other lobbyists to fight his crusade. Although he did not tell the newspaper how much he has invested in his efforts, Bitove admits that his commitment of personal money is considerable, but less than \$1 million. Doucet had listed Bitove Corporation as a client when the registry first opened in 1989.

"Tier Twos sometimes get away with murder," says Michael Teeter, who worked in the PMO for Trudeau before moving into association lobbying, and later

working with the Doucet brothers before he finally set up his own firm. "If a Tier Two is acting on behalf of a single company, or a group with interests that are not similar, they should operate under the same rules" as a professional, and he knows a number of association lobbyists who are paid privately to lobby for the special interests of an association member.

At a seminar on lobbying, former minister Tom MacMillan argued that, "however lofty their ideals, interest groups can become as self-serving as any other part of society, so they should be subjected to the same scrutiny they themselves offer."

The head of the Association of Competitive Telecommunications Suppliers is Don Braden, who also runs the Canadian Satellite Users association from the same office, but registers neither group in the federal registry despite direct lobbying efforts to federal ministers, according to the *Financial Post*.

One of the areas that may need legal interpretation is the growing use of coalitions by associations. The Canadian Chamber of Commerce and the Canadian Manufacturers Association are just two of many associations that offer membership to like-minded organizations, often vertical trade groups. They rely on their extensive internal resources to deliver warnings on legislative intelligence and evolving issues of interest to their organization members and, in many cases, to propose co-ordinated lobbying strategies. Despite receiving money for their

services and information, the sponsoring organizations are not required to register as Tier One lobbyists, nor do they divulge the frequency of their contacts nor the purpose of their approaches to government on such common issues.

LOOPHOLES

In addition to amending the statute of limitations that allowed Jack Horner to avoid investigation, Don Boudria insists that the "MacAdam loophole" be closed to stop lobbyists from avoiding registration of controversial activity.

He is referring to a case involving Pat MacAdam, who allegedly spoke with members of the PMO and senior Ministers to renew a government lease on a building owned by Ottawa developer Pierre Bourque. GCI chairman Gary Ouellet said Bourque was not charged for the work and, therefore, the activity was not registered because MacAdam was only assisting a good friend with financial troubles. The *Globe and Mail* hinted that Bourque may actually be a part owner of GCI and that he has used the lobbying firm on other matters, and it also noted that the Auditor-General had earlier criticized the government for paying excessive rent on Bourque's property. Boudria says the result is that a lobbyist can avoid registration by not charging a fee for a specific undertaking, with the intent of over-charging the client on a future job.

Although she obviously favors a clamp-down on the loopholes, MacLaurin says the MacAdam issue is a difficult one because it touches on the sensitive matter of lobbying by volunteers.

Another technique to avoid scrutiny is to place a Tier One lobbyist on the client's payroll for a month. Under this loophole, the person becomes a Tier Two salaried lobbyist and is required only to file his or her business card, thereby eluding the requirement to report on the lobbying activity.

Both Rodriguez and Boudria are adamant that the review must result in a ban on contingency fees. Such fees allow a lobbyist to avoid registration because there is no contract and no money changes hands unless the lobbyist is successful in his undertaking. GCI and Hill and Knowlton admit to accepting such fees, and Rodriguez says prohibition would reduce "the enticement for an over-zealous lobbyist to cut corners" in his attempts to obtain the fee. Boudria adds that the ability to charge higher fees for winning at lobbying "creates fertile ground for corruption." In the United States, Senator Strom Thurmond has sponsored a bill to ban contingency fees by lobbyists in that country.

Sean Moore agrees that contingency fees offer "a poisonous potential" and, if the review does not prohibit them outright, he wants such arrangements disclosed publicly. He is concerned that a lobbyist could circumvent the law by signing a

client to a five-year "do nothing" retainer if the lobbying undertaking is achieved, but Moore would be content if the arrangement were placed on a public registry so the debate could centre on the question, "Does it stand public scrutiny?"

While researching government policy positions is not a registrable activity, the line may become fuzzy when the objective is to generate future revenue. Bertrand recently phoned his contacts at Health and Welfare to seek details of the department's response to the public uproar concerning Dow Corning's breast implants. Now, he is looking for a client that could benefit from that information. His marketing technique is also used by lobbyist Leonard Domino, a past president of the Young Progressive Conservative Association and former senior policy advisor in Ontario, who explains that "most of us keep a watching brief on government activities and then make sales calls to organizations whose interests might be involved."

LAWYERS

Based on the number of clients registered, much of the lobbying in Ottawa is conducted through the auspices of the legal profession. A festering aggravation for professional lobby houses is that they must comply fully with the Act, while many lawyers conduct the same activity without registering their interests.

"Being lawyers, they've never really bothered to check out what the law says," quips Proudfoot. "They've gone on the assumption of their long tradition that it somehow doesn't apply to them because they have a status separate and apart from the rest of the world.

"A lot of lawyers who do activity that is clearly under the legislation, are not registering," he claims. "I don't know whether this is awful or not, but it's an area that should be addressed." If the government prosecuted a few lawyers who were not registered, he predicts "the rest of them would get the idea."

There is "massive non-compliance" among lawyers, accountants and management consultants, agree GCI's Gary Ouellet and S.A. Murray's Binhammer. It was originally argued that lawyers should register all their contacts with government to ensure a "level playing field," but the concept ran into opposition from legal and accounting lobbyists, on the grounds that disclosure would violate privileged client information.

"Lawyers and accountants don't feel (the law) applies to them," says Fortier. "They don't regard themselves as lobbyists but as lawyers and accountants," but he is not interested in "blowing the whistle" on violators. He was more involved in direct client representation during his 15 years as a lawyer prior to joining PAI, and he explains that accounting firms charge "big bucks" when they lobby

Revenue Canada for a favorable tax interpretation for their client.

Much of the confusion may be resolved by an overview of the registry that was prepared by the Ottawa office of the Fraser & Beatty law firm, and which will be released soon by the CCH publishing company.

Bertrand says that many lawyers and other service professionals "are doing things that are lobbying but, the majority of the time, it's not lobbying." ECL often combines its knowledge of government with the legal acumen of law firms to advise clients.

COOLING OFF

At least one lobbying house is annoyed with the employment restriction that is placed on former public office holders. "There has to be some reasonable period of time before you go back and try to intervene on issues in which you may have been involved while you were in government, but you have to be rational about the whole thing," complains Proudfoot. As chairman of GCI, Ramsey Withers was prohibited from lobbying Transport for one year after he had left his five-year stint there as deputy minister, but he was also prevented from contacting officials at Defence, where he had left his post as Chief of Defence Staff in 1983.

"It's logical that people seek employment in an area where they have some expertise," and Proudfoot wonders why former government officials should be penalized more than anyone else from making a living.

CONFLICT OF INTEREST

The review likely will not address the lobbying activities undertaken by elected Members of Parliament. When three federal politicians were expelled from China for lobbying on behalf of Chinese expatriates in Canada, media reports did not always mention that the trio had been flown to Beijing by a special interest group. The link, notes Frank Howard in his column, "would have remained invisible if it were not for the fact that MPs maintain a voluntary log of their sponsored travels."

The *Registry of Sponsored Travel* was established in 1986 in response to concern over the frequent acceptance by federal politicians of "freebies" from lobbyists. Entries are voluntary, but Howard cross-checked with MacLaurin's registry to identify more than 60 organizations that had subsidized travel by MPs but had not registered as lobbyists. The Taiwan Chamber of Commerce, for example, has sponsored many of the 35 trips taken by politicians to that island republic since the 1988 federal election. Although it is Canada's fifth largest trading partner, Ottawa does not grant diplomatic recognition to Taiwan, and pays the Canadian Chamber of Commerce to administer a trade post in Taipei.

At least 98 MPs have taken trips since the last election, sponsored by such non-registered groups as the Monitoring Group on El Salvador, National Council on Canadian-Arab Relations, Croatian Party of Rights, Croatian Democratic Union and the East Timor Alert Network in Canada. Only in cases where the parliamentary group is run by diplomats is registration not required.

The review of how effective the lobbyists' registry has been in controlling influence peddling will not be able to rely on any measures from the proposed law to control conflict of interest among public office holders. The tough legislation promised by Mulroney in 1987 has yet to be accepted by the House of Commons, and may die due to opposition from all parties. After a federal commission found that Industry Minister Sinclair Stevens had violated conflict-of-interest guidelines 14 times, a 21-member parliamentary committee agreed to develop rules to control themselves, but politicians remain unhappy with many aspects of the bill. Former minister Mitchell Sharp, who chaired Trudeau's 1984 task force on conflict of interest following the "Coalgate" incident, says disclosure would be "titillating" for the public but would jeopardize the "privacy and dignity" of politicians. Political scientist Michael Atkinson adds that the code must assure the public that politicians "do not and cannot act for personal gain in public affairs."

OTHER CONSIDERATIONS

One proposal examined by the Cooper committee was the idea that Tier Two groups should be forced to release their membership list. Pross argues that such disclosure could lead to harassment or discrimination of members, and the proposal was attacked by groups such as the Canadian Jewish Congress on the grounds that its members could become target for anti-Semitic attacks if the information were put in the public domain. Due to the proliferation and growing influence of non-profit associations in the pluralist arena, such basic information would help to ascertain the credibility of groups which are claiming to represent significant segments of Canadian society.

When the lobbyists law was passed, many Tier Two lobbyists had expressed fear that registration would lead to increased government intervention and regulatory control of their activities. Although there is no proof of a correlation, a number of groups soon found that they were being threatened by Revenue Canada with de-registration as charitable agencies because they were obliged to register as lobbyists, yet federal law prohibits charities from engaging in significant lobby activities.

For association lobbyists, Rodriguez and Boudria had always called it "the business card law" because the reporting requirements were overly lenient and very little

information was collected. Even Neville says the listings of Tier Two professionals is like "an annual directory of public affairs officials."

LEGITIMACY

Frank Moores shattered the serenity of the profession with his unconventional techniques, but the resulting profile given to the benefits of legislative intelligence was invaluable to the industry. Far from scaring away clients, the marketing aided the continued growth of the profession and the subsequent increase in fees by many companies and there is reason to suspect that lobbyists quietly welcomed the law, although Cooper insists that "they were dragged in kicking and screaming."

Other professional groups have discovered that political credibility is enhanced through legislative status. In 1982, Quebec City lobbyist Dominique Boivin made a formal request to the National Assembly that her professional status be officially recognized, claiming that lobbying was not subject to any law and, therefore, was not officially recognized as legitimate.

The purchase of ECL and PAI by Burson Marsteller and Hill and Knowlton demonstrates that international conglomerates viewed the major players as legitimate.

"Where it is useful is that lobbyists are a legitimate part of the public policy process and, if we think we are a legitimate part of the system, then it also makes sense that, to some extent, there has to be more public accountability in terms of what we do," says Proudfoot. "Being more public and declaring who we are and who we work for doesn't seem to me to be an unfair price to pay. It's healthier and it brings the whole practice out in the open and maybe makes it a little less mysterious."

Prior to the legislation, Parliament had never acknowledged the legitimacy of lobbyists and their role in the development of public policy, and the creation of a new category of professions with legal status had been expected to create new demands for access to legislators. In his column the week after the law received Royal Assent, Howard asked, "Do these people have the same rights or privileges as the press has acquired without benefit of legislation?" He speculated that the Sergeant-at-Arms may be forced to provide parking and eating perquisites that have traditionally been offered to members of the Parliamentary Press Gallery and, "if not, why not?"

CORPORATIONS

Aside from the existing loopholes and the grey areas affecting the profession, there are additional areas of concern in connection with the desire to control political

influence by Tier Two lobbyists.

Industry leaders are appointed to a corporate Board of Directors for a number of reasons, among which is their personal network of contacts with public office holders. Registration as a lobbyist is required if a Director receives remuneration and undertakes lobbying to a significant degree, but it is difficult to identify where the formal lobbying ends and the informal networking begins. For example, the Hon. Bill Davis was recently appointed to the Board of First American Title Insurance, a company that is "actively expanding" its operations in this country, according to the firm. The appointment of the former premier of Ontario "further enhances First American's commitment to the development of the title insurance industry," an objective that implies the need to influence regulatory agencies in each province, yet Davis' name does not appear on the registry.

Most Directors serve without compensation on behalf of voluntary non-profit associations and are, as a consequence, exempt from registration. However, these industry officials can often be in a position where public officials would have difficulty in distinguishing between the individual's corporate objectives and the goals of the association. For example, Lloyd Kubis is vice president of Motorola Canada and is a registered lobbyist for that firm, and he also chairs two key industry associations. He also serves on numerous government advisory and technical groups, and was chief negotiator at an international sector conference,

despite Motorola's intensive lobby campaign to champion a multi-billion dollar satellite communications system. Since the objectives of a private corporation and the goals of an industry association can never be completely similar, there is potential for confusion over the role of these individuals in their lobbying undertakings.

If advocates of controls on lobbyists are concerned with the undue advantage that comes from experience within the political system, a number of corporate executives are on the same fast track to the inner sanctum. Francis Fox worked with GCI after serving as Trudeau's Minister of Communications, and recently was appointed to run the Cantel cellular operation. Mickey Cohen left his post as deputy minister of Finance to run Molsons and, later, Olympia & York, while Grant Reuber left the same position for a senior role with the Bank of Montreal. Richard Stursberg and Peter Barnes were senior officials within the CRTC before taking their knowledge of the regulatory agency into the private sector; Stursberg as the lobbyist for Unitel as it prepared its intervention on long-distance communication, and Barnes to BCE Mobile Communications as the Bell Cellular and National Pagette operations were expanding across Canada. Sandy Morrison was executive assistant to two ministers of transport before he moved into the aviation industry (where he chaired the industry association) and now runs government relations at Air Canada. Lawson Hunter, an assistant deputy minister at Corporate Affairs when combines legislation was introduced, left to become a

senior partner in a Toronto law firm. Although he was never in the bureaucracy, Ken Colby was a Parliamentary reporter for the CBC before moving to Norcen Resources to spearhead its media and government relations programs.

In all cases, public office holders feel confident that the interests of these individuals are as transparent as their business cards.

Senators are exempt from the provision of the law, even if they receive remuneration from corporations for their role as Directors and undertake lobbying activities. The Canadian Bankers Association recently asked that Senator John Sylvain be disqualified from discussing banking regulations because he is a licensed insurance broker and has a vested interest in preventing banks from selling insurance. Senator William Kelly, who serves on the Board of several large corporations, wrote an article on lobbying in which he said the hostility of business-government relations "can be removed by an effective long-term government relations strategy which relies essentially on 'working the system' rather than on high-profile lobbying."

The registry ignores the significant lobbying that goes on between Ministers and between different levels of governments, and Fortier suspects that such activity could be very expensive in terms of the cost to public policy. After years of denial by the Liberal administration of offshore oil rights to Newfoundland, he

wonders what Premier Brian Peckford had to promise to the Prime Minister when the new Tory administration agreed to the transfer of power. "What did (Mulroney) get? Support for Meech?"

PUBLIC IMAGE

Regardless of their feelings about the genesis of the registry, most of the lobbyists have come to terms with the legislation.

"The activities in the industry, perhaps as a result of C-82, are better organized and less offensive," concedes Hughes as he leans his tall frame back into his chair.

"The law has served its purpose; I wouldn't recommend its demise in conscience, but I would as a convenience." While the factors that embarrassed the government into enacting the law three years ago may have vanished, Hughes adds that "trading on access or influence may not have stopped entirely, but that's got very little to do with this law."

ECL's Bertrand goes one step further, crediting the law as "the best thing that has happened to the lobbying business." The profession now is "out of the closet," and the publicity given to the need for business to obtain legislative intelligence has generated "more business rather than less business." If a practitioner does anything criminal, "I hope to God that they get caught because we don't need

those kinds of people in the business."

The legislation came at a time when the profession was maturing on its own, explains Proudfoot, as businessmen were increasing their sophistication about how lobbying works. "They tend to shy away from people who have a reputation for being a little too quick in their approach" and, ultimately, those lobbyists are not successful. "It's very difficult to convince someone to do something stupid just because you're a friend," he adds. "What kind of friend asks you to do something stupid?"

"Very few parents want their children to grow up to be lobbyists," says Stanbury, but Fortier boasts that he is "proud to work" in government relations. However, he is concerned that the legislation "does no honor to the profession" because it is based on the "smoking gun principle" that illegal acts are being undertaken, and it will "never allow our industry to get out of mud."

At this time, it is not certain who will be involved in the review of the law.

Cooper says he doesn't want the job, arguing that he has not kept up to speed on the issues involved and noting that the Committee on Elections, Privileges and Procedures was dissolved. In addition, the commitment to his new duties in the House is obvious as he ponders over questions on Bill C-82 while puffing on a

cigarette and keeping one eye on the Commons proceedings on his television set.

One possibility is that a special committee will be struck by the Commons to review the law, but it is likely that the professional lobbyists will be more involved in "round two" to protect their interests than they were in the starting skirmish.

CHAPTER SIX

LOBBYISTS ARE JUDGED BY THE COMPANIES THEY KEEP

Whoever ends up handling the review of the *Lobbyists Registration Act* will have to come to grips with a number of key questions, based on the experience of the past three years in Ottawa:

- what constitutes lobbying, and what role does the activity play in the formulation of public policy?
- do any lobbyists, or class of lobbyists, possess an undue advantage in this process?
- if controls need to be placed on certain activities undertaken by certain individuals, how tight should the controls be?

"The principle of the bill is that lobbyists have to be registered, and I would absolutely defend that to the end," insists Rodriguez. Frank Mooros "would have been flushed out in the beginning" if the registry had been in place when the Conservatives were elected in 1984, and the GCI boss would have been more circumspect if he had known that there was a process to monitor his activities. "If someone signals me with his lights that there is a speed trap up ahead, I'm going to take my foot off the accelerator," he adds.

Although he fervently believes that both public office holders and lobbyists have benefitted from the greater transparency provided by the registry, Rodriguez doubts that the general public perceives the law as a positive contribution to an open democratic process. "They know that patronage goes on and they know that using a position of influence to get a benefit for yourself is illegal and crooked," and he hopes that the review "may restore some of their confidence in the system."

Boudria says that, "if General Motors wants to lobby Chrysler, no one cares," but he remains committed to a process that will track people who lobby on public issues. "If it's not public business, they shouldn't be dealing with public officials."

Sean Moore rejects the charge by lobbyists that their activities are discriminated against: "We're talking about money and processes that have to do with the influence of public policy; this is not selling widgets."

"This thing about lobbying may not happen again," admits Howard, who supports the principle of a legislative review but is worried about the "tinkering" it creates. "It made visible the people who played the game, and you got to know who their clients were because it was in the registry." He suspects that a change in government may be needed before people are charged for failing to comply with the Act, but he adds, "What has come out of the end of the pipeline has altered my knowledge of who the players are, who their clients are, and has focused the interest of more people on that process."

Sitting in his office on the Vancouver campus, Stanbury insists that the transparency of lobbying in Ottawa "was quite clear before" the law. The registry provides some information and it can be used to track the growth of lobbying over time, but "that is not justification for the legislation."

During the past six years, former NDP politician Michael Cassidy has observed "the mixing of professional lobbying with the kind of political and personal connections (that has led) to undue influence, without question." The transparency provided by the registry has given some protection from such influence, and he favors a method to identify the "heavy hitters" who receive more than \$50,000 or \$100,000 a year from clients.

People seldom walk in off the street and receive money from government, explains Stephen Beatty, former chief of staff at the Department of Justice. "People do things for their friends and will give them more of a hearing than they would to a cold call, but that doesn't mean a commitment to throw millions of dollars their way."

A democratic government means a political arena where there is a competition of ideas, he adds. The system fails, not because of influence, but because many people don't take the time to ensure that their views are accepted by the decision-makers. "As long as the system is reasonably transparent and there is a system to

stop criminal abuse, the rest is within fair comment."

Not all lobbyists have come to terms with the law. Many of the professionals remain convinced that the law was not required.

"The legislation is a crock," spits Fortier, and it would not have changed the issues that created the public furore. Attempting to draw parallels between lobbying in Canada and the U.S. is one of the "stupid things we do in this country," and the PAI boss would rather see rules of conduct for the profession. Bureaucrats are not influenced by lobbyists and, if some crony of Mulroney comes in, they'll say "take a hike, buddy." Fortier is confident in the integrity of the public service, and he is convinced that there is no way to penetrate the bureaucracy unless you offer them money. "You can't legislate against sin," he adds.

People are peddling influence, but Stanbury says the legislation, "as it is drafted now, will do absolutely nothing to stop that." The issues that the federal government "would really like to regulate, the nefarious things, are for all practical purposes, unregulatable." To make the system air-tight to abuse would cost too much, and he says government will have to recognize that some things are, for practical purposes, all but impossible to control.

The imbalance of resources among competing interests means that Canada's

pluralist system is flawed and subject to corruption, but Stanbury contends that past incidents of influence peddling did not originate with the lobbyists. "In all cases, the initiative came from a politician or an aide who was trying to sell access or influence. There are no cases where a business person came on the Hill with a large wallet and said, 'I want to buy a result.'" Fortier agrees, saying "it takes two to tango," and GCI's Proudfoot adds: "Everyone is sniffing all over the place but nothing ever turns out. You have a far greater chance of being convicted if you're a Member of Parliament for doing something than if you're a lobbyist."

"Scandals would have occurred even with the legislation in place," Howard predicts in hindsight. "They were fed by a whole bunch of things, such as a long period of starvation" for the Conservative party, and he does not believe the politicians could have resisted the temptations after being deprived of power for three decades. He admits that he is not an expert on the law, but says "people, as they do with all Acts, find ways of evading it," and Howard believes that some people are circumventing the law. "I don't know if they are violating *the letter* of the Act, but it seems to me that they are violating *the spirit* ... and maybe the letter of the Act has to be altered."

"I'll admit that if some lobbyist or some individual wants to defy the spirit of the legislation, they will do it," says Rodriguez. Although influence peddling is impossible to thwart completely, the registration of lobbyists allows the public to

monitor what the professionals are doing. "There will always be transgressors, but once you've got a law and it is codified and you act outside of that, then by Christ, you get your ass kicked."

Neville is not aware of any lobbyist who finds the legislation to be an impediment to doing business, but he is "mind-boggled" by the eruption of firms into a "veritable Manhattan telephone directory" of government relations experts. "An interesting, and more than academic exercise, would be to probe whether the business community feels that you can't deal with government without third-party help." He also wonders "if our elected and appointed officials are comfortable with the notion that access to them is being sold for four or five digit fees," since the law legitimizes the practice of paying someone to open a door to government. "If I was an elected official and that was the view, it would bother me."

Professor Pross agrees that "it's an abomination that this sort of thing should happen," but the increasing complexity of business-government relations creates an environment in which that kind of representation is necessary. "Lobbying is becoming an epidemic," adds Fortier, and the legislation "has spawned a lot of cottage industries" of consultants. "The role of lobbyists has become even more significant," he adds, because the middle class must use lobbyists as the only way to represent their interests.

Taxpayers have more confidence since they can view the political system "as being a much more transparent and fair process now," says Cooper. Personally, he feels more confident dealing with lobbyists who have been forced "to go through a process that makes it transparent and doesn't make me vulnerable to somebody sidling up to me." However, the issue is not a problem for him because Cooper says he is never lobbied. "Nine times out of 10, it's one of my constituents, and I support them all the time."

OPTIONS

If the review by Parliament determines that there is a benefit in requiring disclosure by groups and individuals who make overtures to government, the *Lobbyists Registration Act* will remain on the legislative books, likely with minor tinkering to increase the efficacy of its monitoring.

If a more thorough net were viewed as positive, the comments made by some of the lobbyists indicate that there are at least four options which might be considered:

1) A code of conduct:

Albert Cooper says the industry needed "a code of conduct or standards that people would feel were honest and fair and could be comfortable with.

Essentially, we forced that by passing the legislation, and it hasn't hurt the industry; if anything, it has helped its image." Some lobbying houses have commandments which provide guiding principles for their contacts with government officials, such as the 10-point code at S.A. Murray that promises "to avoid making promises or commitments to clients that may imply influence over Ministers, legislators or government officials" and, "when requested by government officials, to disclose in confidence the name of a client for whom government information is being requested or withdraw the request." The company's mission statement stresses its "ethical approach to government relations" and that "we believe nothing is impossible."

Despite the success of self-regulation by other industries and the repeated efforts by some practitioners to adopt an enforceable code of behavior, Neville dismisses the idea of industry standards as meaningless because they only promise "not to steal or beat up babies." He can't suggest the name of anyone in his industry who would be suitable to be "judge and jury" on a disciplinary board.

If Parliament cannot convince the lobbyists to forge a workable set of guidelines for their profession or is unwilling to draft standards on their behalf, the politicians could copy some facets of the 1990 California proposals that would force all practitioners to pass a training course before they can be registered to work.

2) Progressive registration:

If a registration process becomes burdensome or complicated, the inherent restrictions will decrease the spontaneity of pressure groups and impair the ability of vested interests to respond to government policy initiatives. If registration involves heavy financial obligations, it will further retard the formation and growth of new groups as players in the pluralist arena. However, Pross points to Canada's election law as a model of how the lobbyists registry could be re-structured.

Initial registration for emerging groups should be simple, routine and free, he argues. As an organization establishes itself, "registration requirements should be more probing," so that groups with larger budgets and more experience in public policy should disclose their resources and interests on a progressive scale. For senior practitioners of either typology, he suggests that players be required to file the mission of their organization, their officers, the number of members and a list of individuals who are authorized to represent the organization, an audited financial statement of lobbying expenditures, and a list of members who contribute more than \$500 individually or \$5,000 through their corporation to the company.

3) A level playing field:

If the registry is designed to ensure transparency of private sector efforts to influence government policy, the *Canada Corporations Act* could be amended to require *all* firms to report their expenditures related to lobbying. A public filing

could include a value of all staff time allocated to the activity, in addition to all fees paid to Tier One lobbyists (including lawyers) and memberships paid to Tier Two associations which lobby on the industry's behalf. A requirement for all companies to report expenditures would eliminate the current discrimination against Tier One enterprises, and would ensure that all activities are reported under the same rules, including lobby undertakings through advertising, opinion surveys or advocacy campaigns, all of which currently are not tracked. At the same time, it would respect the blanket exemption for private citizens who lobby for their own personal interests. Listing these data in a registry would allow journalists and others to quantify the level and the source of funding for all lobbying activities.

4) Open the window on government:

If the registry is designed to ensure transparency of private access to public office holders, a viable option would be to monitor *all* private sector contacts made with government officials. Ministers and political aides currently log such information daily as a matter of course, while many bureaucrats track such inputs as an integral part of their consultation process. By filing such details, a "contact registry" would reveal all inputs made to government, whether the source is a professional lobbyist, an association or a personal friend. It would track requests for information or for favors, and could be expanded to include intra- and inter-government lobbying if such communications did not contravene national security.

For administrative practicality, input below a pre-determined stratum within the public service could be exempt from registering, on the assumption that inordinate influence is more difficult if the request must be filtered through numerous layers of bureaucracy before it percolates out as public policy. In specific cases which may involve political sensitivities, such as in contract procurements at Supply and Services, the need to register could be extended on an *ad hoc* basis. The registry would achieve the goal desired by many politicians and journalists for a public listing of information that facilitates investigative reporting, and would allow complete analysis of patterns of networking while eliminating the discrimination currently in place between different lobbyists in Ottawa.

A major benefit of this proposal is that it would place the accountability for professional decision-making back onto elected officials and their staff. When Toronto Council adopted its municipal registry for lobbyists, lawyer Stephen LeDrew argued that politicians, and not lobbyists, should be required to disclose their dealings with the public. "The city has it all backwards," he said at the time. "They are the elected officials; they are the ones who should be accountable to the public, and they should be the ones telling us who they are dealing with."

ALL LAW SHOULD ENCOURAGE GOOD GOVERNMENT

The right and the responsibility of lobbyists to operate freely within Canada's

political system is endorsed by all parties, but any discussion of the *Lobbyists Registration Act* quickly drifts from the original philosophy of the law to a discussion of the colorful personalities in the profession. All Canadians lobby in some manner, and certain players are better suited for pluralism in terms of the resources they can muster and their ability to access the system.

As it is written now, the legislation simply seeks to identify those vested interests which can afford to pay handsomely for professional assistance in the pursuit of their goals. Although the "cat bell" that is placed around the neck of the lobbyists was touted as a method to alert public officials to the approach of individuals who would advocate the interests of a paying client, the only practical function has been to facilitate the work of the media in tracking the movements of a select number of people who are perceived to manipulate their personal or professional connections to the officials in power. The information that is disclosed on the public registry, when combined with the numerous loopholes and deficiencies in the law and the inability of journalists to conduct any meaningful evaluation of contacts, place the value of the database in question. At best, it provides a superficial glance at key practitioners in the industry; at worst, it provides a covering legitimacy for the unsavory practices that it was created to expose.

While it may be vicarious to savor the exploits of former political aides and to read what they have for lunch when they dine with the prime minister, it is more

germane to identify where the public policy process goes awry. It is accepted that influence does exist in this process and that influence can arise from a multitude of sources, only a few of which are subject currently to regulatory control.

The review of the *Lobbyists Registration Act* provides Canadians with an ideal opportunity to insist on a greater accountability from their elected and appointed public officials. If the discussion this fall concentrates on attempts to tinker with the symptoms, there is a strong possibility that it will fail to treat the disease. If the registry is to provide complete and effective transparency to the dealings between the public and private sectors, it must identify the who, the where and the how of all inputs. Only with full disclosure of all influences can the Canadian public be furnished with a capacity to analyze if undue pressure has been applied and, if so, to allow the electorate to decide on a suitable course of action.

The proper functioning of Canada's democracy deserves no less.

Appendix A

References

personal interviews

Stephen Beatty, Executive Director, Canadian Apparel Manufacturers Institute
Rick Bertrand, Vice Chairman, Executive Consultants Limited
Richard Binhammer, Vice President, S.A. Murray Consulting
Don Boudria, Liberal Member of Parliament
Michael Cassidy, President, Ginger Group
Albert Cooper, Conservative Member of Parliament
Pierre Fortier, Chairman, Public Affairs International
Frank Howard, columnist, Ottawa Citizen
Ross Howard, reporter, Globe and Mail
Sam Hughes, Chairman, Corporation House
Corrine MacLaurin, Director, Lobbyists Registration Branch
Sean Moore, founder and publisher, Lobby Monitor
Bill Neville, President, Neville Group
Paul Pross, professor, Dalhousie University
Scott Proudfoot, Vice President, Government Consultants International
John Rodriguez, NDP Member of Parliament
Richard Stanbury, professor, University of British Columbia
Michael Teeter, President, Michael Teeter and Associates

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Appendix B**Key dates in the development
of the *Lobbyists Registration Act***

<u>1969:</u>	Private Members Bill C-38 introduced by Barry Mather of the NDP, the first of 20 legislative proposals to control lobbyists
<u>September 1984:</u>	Progressive Conservative party elected with majority status
<u>August 1985:</u>	Prime Minister Mulroney promises legislation to control lobbyists
<u>September 1985:</u>	Mulroney unveils package on public sector ethics and reiterates promise to introduce legislation to regulate lobbyists
<u>December 1985:</u>	Consumer Affairs Minister releases discussion paper on the issue of lobbying
<u>April 1986:</u>	House of Commons mandates the Standing Committee on Elections, Privileges and Procedures to investigate the issue
<u>January 1987:</u>	Cooper Committee tables unanimous report in the House of Commons
<u>June 1987:</u>	Bill C-82, An Act respecting the registration of lobbyists, is tabled in the House
<u>September 1988:</u>	Bill C-82 receives Royal Assent
<u>September 1989:</u>	Lobbyists Registration Branch opens

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