

# BACKGROUNDER

## What Saved the Bloc Québécois in the 2008 Election: Public Money



**A Frontier Centre Backgrounder on  
Public Financing for Federal Political Parties  
2000-2008**

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## A Backgrounder survey of the results and effects of public financing upon federal political parties

*The 2004 changes also provided for increased — i.e., taxpayer-financed — subsidies to political parties.*

### Taxpayer subsidies for political parties since 2000: \$313 million

Over the past several decades, there have been several key changes to how Canada's federal political parties are funded. The most recent and significant changes took effect in 2004 with federal legislation (Bill C-24, passed in 2003) which banned corporate and union donations. That legislative change also limited personal donations to \$5,000 per individual donor. Effective in 2007, that limit was lowered by the new Conservative government to \$1,100 per individual, per year, adjusted annually for inflation. That limit also applies to candidates in federal ridings.

In addition to the 2004 ban on union and corporate donations, the 2004 changes also provided for increased public — i.e., taxpayer-financed — subsidies to political parties. In particular, existing public subsidies to parties and candidates were increased and a new subsidy introduced:

### Results of 2004 and subsequent changes:

- **Political parties are reimbursed for 50% of their election expenses** (compared to 22.5% previously);
- **Candidates are reimbursed for 60% of their election expenses** (compared to 50% previously);
- **A new annual "allowance" was created for political parties** based on the number of votes cast for each party in the most recent federal election. The legislation provides for inflation adjustments. As of October 2008, a registered political party receives the equivalent of just over \$1.95, annually, for each vote received in the previous election, an amount that is paid in quarterly instalments.

For example, if Party "X" received 1,000,000 votes in the 2006 election, it would receive \$1.95 million in an allowance in 2008, paid quarterly.

The result is that *in just the third quarter of 2008*, federal political parties received a quarterly payment from Elections Canada of almost \$7.2 million. It was broken down as follows:

Bloc Quebecois:	\$ 758,350.39
Conservative Party:	\$ 2,623,890.17
Green Party:	\$ 324,231.20
Liberal Party:	\$ 2,187,074.37
New Democratic Party:	\$ 1,264,370.74

*Without federal funding, the Bloc would likely have been handicapped in its ability to fight the most recent election.*

### Key backgrounder findings and explanations of tables and charts:

- **Political parties and their candidates have received \$312.8 million since 2000**, most of it (\$290 million) since the 2004 changes.
- **Of interest to the four federalist parties** given the success of the Bloc Quebecois in the recent federal election, Bloc fundraising was significantly down in recent years.
- In the first six months of 2008, the latest period for which statistics are available from Elections Canada, the Bloc raised just \$73,704.
- Compare that to the Bloc's public subsidies: In the first six months of 2008, the Bloc received over \$1.5 million.
- Without federal funding, the Bloc would likely have been handicapped in its ability to fight the most recent election.
- **The trend-line is revealing.** Given the 2004 changes, parties are now heavily dependent on individual donations and public financing. The Conservatives have the advantage in raising money from individuals (with over 100,000 donors per year in 2005, 2006, and 2007) and the New Democrats also have a strong individual donor base, though at about one-quarter that of the Conservatives.

The trend line is revealing when the Bloc Quebecois and the Green party are compared:

- In 2001, the Green Party had just 690 individual donors. That increased to 10,081 by 2007 and 7,915 in just the first six months of 2008.
- Comparatively, the Bloc Quebecois hit its individual donor peak in 2004 with 8,775 donors. It has declined since to 4,486 donors in 2007 and just 1,070 in the first six months of 2008. Simply put, the Bloc's fortunes in the recent election were rescued by public financing.

Had parties been forced to rely only on individual donations in the 2008 campaign, the Bloc would have been unable to mount a serious advertising campaign in the 2008 election. In all of 2007 and the first six months of 2008, the Bloc raised just over a half-million dollars from individual donors.

***The number of individuals writing a cheque to the Bloc dropped to 1,070, about one-twentieth of the number who wrote cheques to the Liberal party.***

**Since 2000, the Bloc Quebecois has been the most dependent on public financing.**

- Between 2000 and 2008, the Bloc's ratio of public dollars to individual donations was 5.6 to 1, or \$31.8 million in public money compared to just \$5.7 million in individual donations.
- In comparison, the Conservative ratio of public dollars to individual donations was 1.3 to 1, or \$97.7 million in taxpayer money while that party raised \$72.9 million from individuals.
- After the Conservatives, New Democrats were the party least likely to be dependent on the public purse. New Democrats garnered \$58.5 million in public subsidies, and raised \$38.3 million from individual donors between 2000 and 2008, for a ratio of 1.5 public dollars for every 1 raised from individuals.
- The Greens' ratio was 1.9 to 1, or \$6.8 million (from public financing) to \$3.5 million (from individual donors).

Even accounting for the fact the Bloc Quebecois is present in just one province while the four federalist parties compete in all provinces and territories, the Bloc was in a severely weakened donor position in the first six months of 2008.

Consider this comparison: Quebec possesses just over 23% of Canada's population. For the Bloc to stay even with even the Liberal party, which has faced difficulties in fundraising, the Bloc Quebecois should have roughly 23% of the individual donors of the Liberal party. Instead, in the first six months of 2008, the number of individuals writing a cheque to the Bloc dropped to 1,070, about one-twentieth of the number who wrote cheques to the Liberal party, which garnered 19,725 individual donations in the first half of 2008.

*Data was derived from Elections Canada database on elections financing. For the 2008, year candidate and party reimbursements were estimated, as well as 4th quarter allowances for the parties.*

TABLE 1 PUBLIC FINANCING 2000-2008\* BY PARTY

POLITICAL PARTY	ELECTION REIMBURSEMENTS	ELECTION REIMBURSEMENTS	ANNUAL SUBSIDIES	TOTALS BY PARTY
	Candidates 2000 - 2008	Parties 2000 - 2008 (In \$ Millions)	Parties 2004 - 2008	
<b>BLOC</b>	<b>9.5</b>	<b>7.6</b>	<b>14.7</b>	<b>31.8</b>
<b>C. ALLIANCE</b>	<b>4.2</b>	<b>2.2</b>	<b>0</b>	<b>6.4</b>
<b>CONSERVATIVE</b>	<b>27.5</b>	<b>28.4</b>	<b>41.8</b>	<b>97.7</b>
<b>GREEN</b>	<b>0.2</b>	<b>1.2</b>	<b>5.4</b>	<b>6.8</b>
<b>LIBERALS</b>	<b>34.8</b>	<b>30.2</b>	<b>44.0</b>	<b>109.0</b>
<b>NDP</b>	<b>11.6</b>	<b>22.1</b>	<b>24.8</b>	<b>58.5</b>
<b>PC</b>	<b>1.6</b>	<b>0.9</b>	<b>0</b>	<b>2.5</b>
<b>Not Affiliated</b>	<b>0.3</b>	<b>n/a</b>	<b>n/a</b>	
			<b>TOTAL 2000-2008</b>	<b>312.8</b>

\*Estimates for 2008 election reimbursements based on 2006 reimbursements, and an estimate is also included for annual subsidies as it applies to 2008 for the 4th quarter. Totals may not add exactly due to rounding.

CHART 1

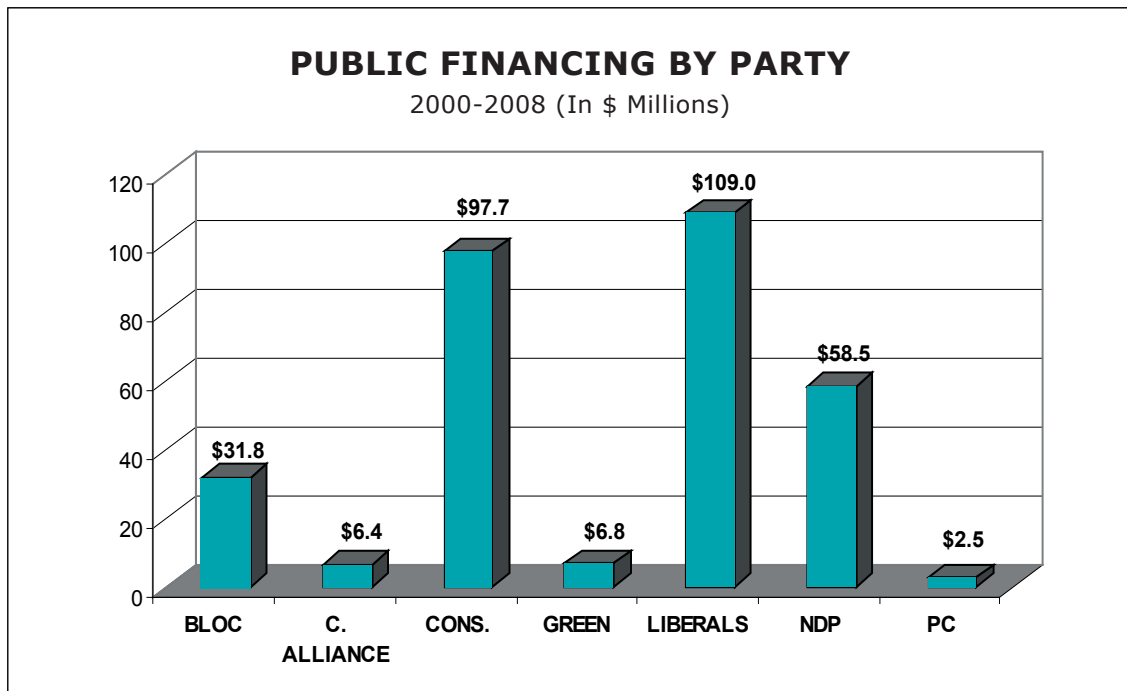


TABLE 2 **INDIVIDUAL DONATIONS vs PUBLIC FINANCING**

POLITICAL PARTY	INDIVIDUAL DONATIONS	PUBLIC FINANCING	RATIO OF PUBLIC DOLLARS TO EVERY INDIVIDUALLY DONATED DOLLAR*
(In \$ Millions) 2000 - 2008 TOTALS**			
<b>BLOC</b>	<b>5.7</b>	<b>31.8</b>	<b>5.6</b>
<b>C. ALLIANCE</b>	<b>26.4</b>	<b>6.4</b>	<b>0.2</b>
<b>CONSERVATIVE</b>	<b>72.9</b>	<b>97.7</b>	<b>1.3</b>
<b>GREEN</b>	<b>3.5</b>	<b>6.8</b>	<b>1.9</b>
<b>LIBERALS</b>	<b>47.0</b>	<b>109.0</b>	<b>2.3</b>
<b>NDP</b>	<b>38.3</b>	<b>58.5</b>	<b>1.5</b>
<b>PC</b>	<b>10.4</b>	<b>2.5</b>	<b>0.2</b>

\*Note that the Alliance and PCs operated under pre-2004 subsidy rules which were less enriched.

\*\*2008 estimates based on 2006 reimbursements and partial 2008 subsidies.

CHART 2

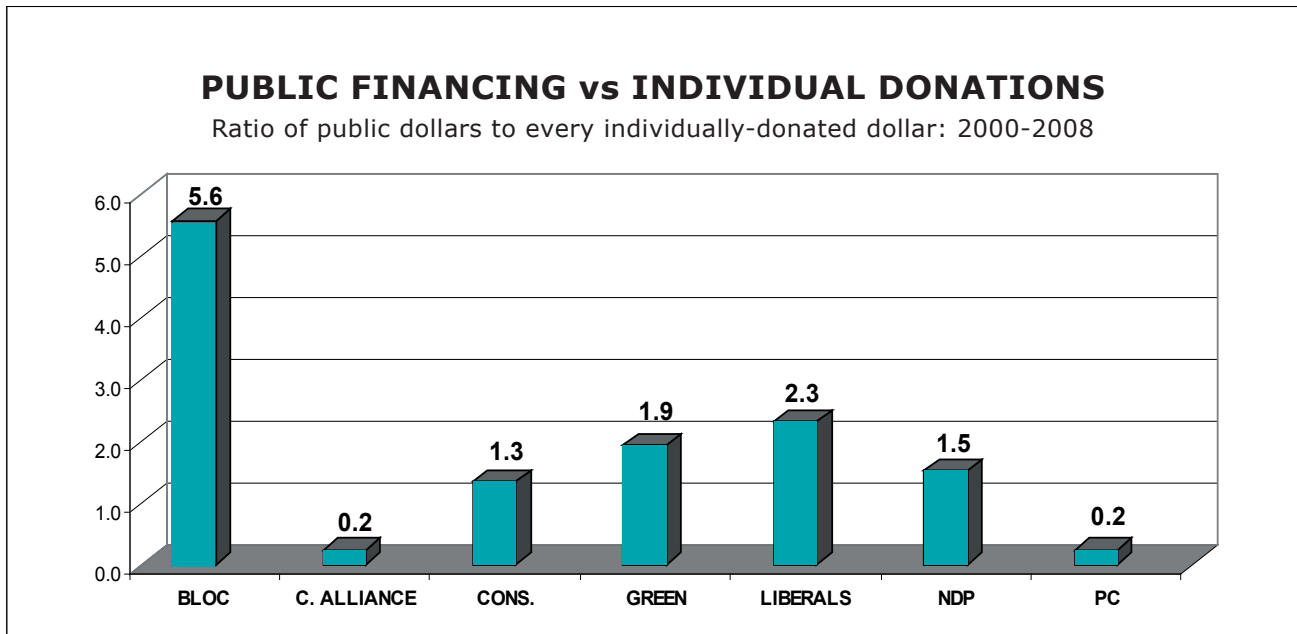


TABLE 3 VALUE OF INDIVIDUAL DONATIONS - BY YEAR/BY PARTY

POLITICAL PARTY	2000	2001	2002	2003	2004	2005	2006	2007	2008	TOTAL 2000- 2008
(In \$ Millions) 2000 - 2008 TOTALS										
<b>BLOC</b>	1.663	0.460	0.490	0.444	0.858	0.734	0.529	0.429	0.073	5.68
<b>C. ALLIANCE</b>	11.954	2.940	5.956	5.535						26.39
<b>CONSERVATIVE</b>					10.910	17.847	18.641	16.983	8.479	72.86
<b>GREEN</b>	0.137	0.074	0.135	0.170	0.351	0.409	0.832	0.972	0.423	3.50
<b>LIBERALS</b>	6.966	2.384	3.129	6.194	4.719	8.344	9.063	4.471	1.758	47.03
<b>NDP</b>	5.752	3.532	4.136	4.782	5.194	5.120	3.972	3.959	1.830	38.28
<b>PC</b>	2.778	2.192	2.264	3.152						10.39

CHART 3

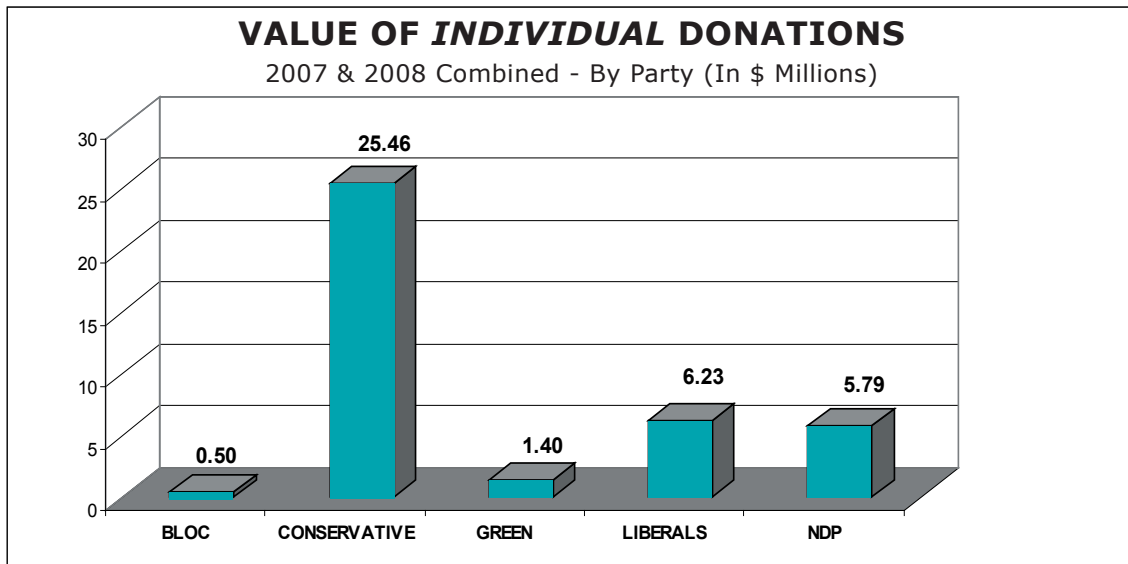


TABLE 4 NUMBER OF INDIVIDUAL DONORS - BY YEAR/BY PARTY

POLITICAL PARTY	2000	2001	2002	2003	2004	2005	2006	2007	2008 Jan- June	Average #Donors /Year
<b>BLOC</b>	n/a	5,764	5,343	5,146	8,775	7,773	6,027	4,486	1,070	5,548
<b>C. ALLIANCE</b>	n/a	48,589	94,668	81,153						74,803
<b>CONSERVATIVE</b>	n/a				68,382	106,818	108,890	107,492	78,178	93,952
<b>GREEN</b>	n/a	690	838	951	3,606	4,529	9,642	10,081	7,915	4,782
<b>LIBERALS</b>	n/a	3,873	14,908	17,871	17,429	23,878	24,967	23,442	19,725	18,262
<b>NDP</b>	n/a	27,800	35,241	32,836	30,097	27,824	25,135	23,303	25,270	28,438
<b>PC</b>	n/a	12,109	10,670	16,419						13,066

CHART 4

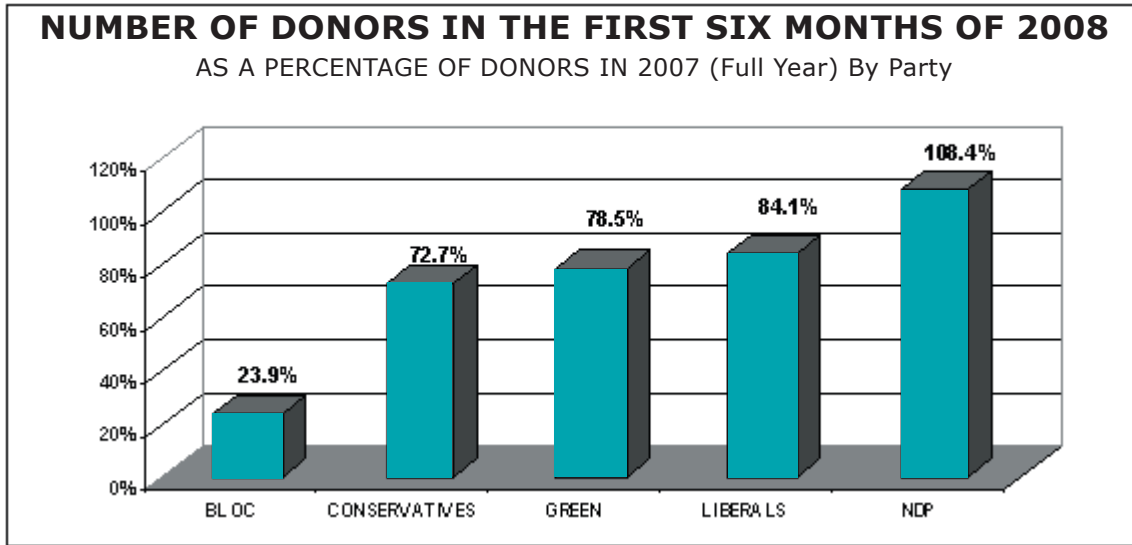


TABLE 5 **INDIVIDUAL DONATIONS: 2007 and Jan.- June 2008**

POLITICAL PARTY	2007	2008	TOTAL
(In \$ Millions) 2000 - 2008 TOTALS			
<b>BLOC</b>	<b>0.429</b>	<b>0.074</b>	<b>0.503</b>
<b>CONSERVATIVE</b>	<b>16.983</b>	<b>8.480</b>	<b>25.463</b>
<b>GREEN</b>	<b>0.972</b>	<b>0.425</b>	<b>1.397</b>
<b>LIBERALS</b>	<b>4.471</b>	<b>1.759</b>	<b>6.230</b>
<b>NDP</b>	<b>3.959</b>	<b>1.831</b>	<b>5.790</b>

CHART 5

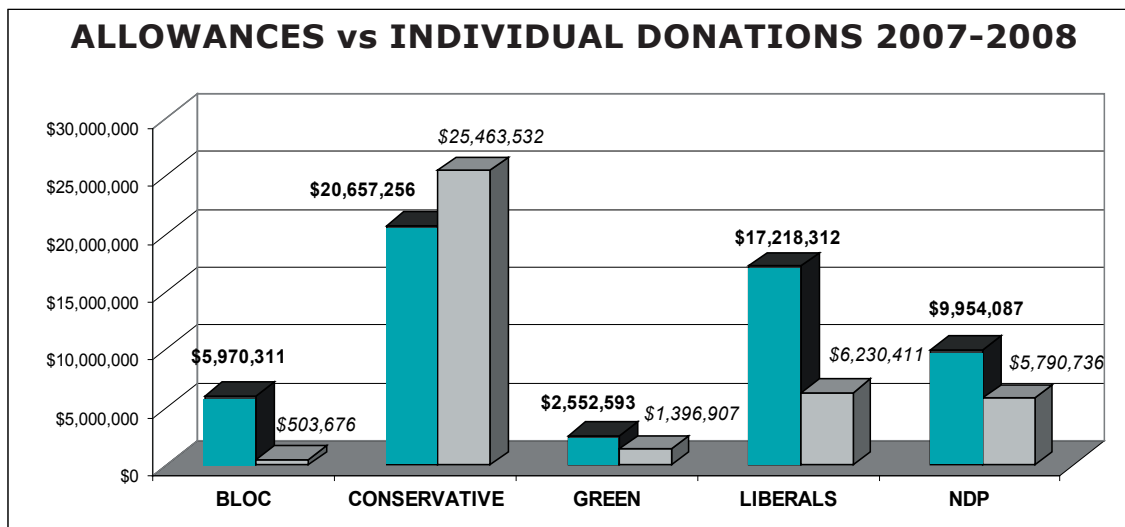




TABLE 6 NUMBER OF INDIVIDUAL DONATIONS: 2007 and Jan.- June 2008

POLITICAL PARTY	2007	2008
<b>BLOC</b>	<b>4,486</b>	<b>1,070</b>
<b>CONSERVATIVE</b>	<b>107,492</b>	<b>78,178</b>
<b>GREEN</b>	<b>10,081</b>	<b>7,915</b>
<b>LIBERALS</b>	<b>23,442</b>	<b>19,725</b>
<b>NDP</b>	<b>23,303</b>	<b>25,270</b>

TABLE 7 ALLOWANCES vs INDIVIDUAL DONATIONS

POLITICAL PARTY	2007-08 Allowances*	2007-08 Individual Donations**
<b>BLOC</b>	\$ <b>5,970,311</b>	\$ <b>503,676</b>
<b>CONSERVATIVE</b>	\$ <b>20,657,256</b>	\$ <b>25,463,532</b>
<b>GREEN</b>	\$ <b>2,552,593</b>	\$ <b>1,396,907</b>
<b>LIBERALS</b>	\$ <b>17,218,312</b>	\$ <b>6,230,411</b>
<b>NDP</b>	\$ <b>9,954,087</b>	\$ <b>5,790,736</b>

\*4th Quarter 2008 estimated \*\*Full-year 2007 and January-June 2008

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## ABOUT THE AUTHOR



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The author of this study has worked independently and the opinions expressed are therefore his own, and do not necessarily reflect the opinions of the Board of the Frontier Centre for Public Policy.

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