

Bill C-377: Costly and Discriminatory

Discussion points for use in interviews, letters, briefs, etc.

1. This is a Bill trying to solve a problem that doesn't exist.

- Labour organizations are an example of organizations providing transparency to their members.
- Union financial statements are already open to all members. Unions do this kind of reporting to their members because they are open and democratic organizations.
- On top of that, the vast majority of provincial labour codes require unions to do this.
- A number of unions already distribute financial reports to their members on an annual basis.

2. This Bill will be very costly for the government to administer, and it will therefore cost taxpayers a lot of money.

- There are 25,000 union organizations, and internal divisions of union organizations in Canada that will have to file incredibly detailed reports under this Bill. All those reports will have to be processed.
- There will be a huge cost to government to develop all of the regulations needed to enact the legislation, to develop and prepare all of the forms and instruction booklets required, to develop the software programs to file, receive and process the information, and to develop an online searchable database. A conservative estimate is that this will generate additional costs in the hundreds of millions of dollars.
- The government will need to employ many full-time staff: auditors, accountants, lawyers and administrative workers to process those reports. In comparison, there are currently about 100 employees at Canada Revenue Agency (CRA) processing and auditing charities which have disclosure requirements not even close to the detailed reporting requirements that are proposed in this Bill.
- The Bill would serve no useful purpose and will only cause needless busy work for unions – but will benefit employers.
- Russ Hiebert, the MP behind this Bill said: “Public disclosure will help the public better understand how the benefits that are provided are being utilized.” But he also said in an interview that he had not received

a single call or complaint from any member of a union or the general public saying they wanted the information and were unable to obtain it.

- This Bill would allow employers and anti-union groups to get extremely detailed information about everything a union spends money on, and how strong the union they are bargaining with is. This information which will be provided to these groups, at taxpayers' and union expense, can be used to threaten collective bargaining rights and organizing drives.
- In the United States, a similar data base is a gold mine of information for anti-union employers.
- The strongest supporters of this Bill in Canada are the Merit Shop Contractors and other open shop contractors (many of these contractors are resisting union efforts to use properly trained and qualified tradespeople), the Canadian Federation of Independent Business, and the Fraser Institute.
- Russ Hiebert stood in the Parliament and made statements that are completely false and designed to mislead people.
- Hansard, the official record of debates in Parliament reports that he stated, “unions already file detailed financial returns with CRA, providing much of this information”. That statement is simply untrue.
- He also said, “filing would not impose any additional outside expense on labour organizations”. Again, this is not true. The United States Office of Management and Budget estimates that in the US, completing the forms under their legislation, which requires less information than Bill C-377 requires over 550 hours of work each year – the equivalent of one person working for three months to complete the task.
- And the Canadian legislation would apply to all national, international, and regional unions, components and local unions along with Federations of Labour and Labour Councils – approximately 25,000 organizations.
- Most of the local unions and many smaller national unions, which depend on volunteers to carry out their work, simply do not have the resources to do this themselves and if required, to hire professional staff from outside, may need to reduce expenditures in other areas to offset the increased cost of compliance.

- Hard working women and men pay into their labour organizations to protect and advance their rights in the workplace and in society. The time and money allocated to do those reports will be money not spent by labour organizations to defend their members.
- The proposed Bill is an intrusion into the internal affairs of unions to provide information to employers and anti-union groups while penalizing unions with significantly increased costs.
- The Bill's discriminatory treatment of unions reveals a hidden agenda.
- This legislation does not apply to other organizations that also charge dues that are tax deductible by the members such as professional organizations like the Law Societies and the Canadian Medical Association.
- The fact that the proposed legislation only targets unions reveals a hidden agenda where taxpayers bear the cost of collecting and making detailed information available to big businesses who don't want their employees to exercise their right to join a union.

3. Privacy rights would be violated.

- This Bill violates the privacy rights of many individuals, companies, and organizations. It requires that all transactions and all disbursements over \$5,000 be shown along with the name and address of the payer and the payee, the purpose and description of the transaction and the specific amount.
- This means every business or professional that does work for a union will have all of the information about what they are charging and what their contracts are, disclosed to the public, and therefore to their competitors. The effect would be bad for businesses that have contracts with union offices. Businesses like photocopier suppliers, telecommunications companies, and office supply companies would have their negotiated contracts publicly available for their competitors to see.
- The Bill would also require labour organizations to disclose specific details of any invoice from a legal firm over \$5,000. This is a gross violation of solicitor client privilege. No one should be required to disclose to the government and the public, the details of their relationship with their legal counsel.

- Trusted pension and health plans will have to disclose the details of all pension and health related expenditures over \$5,000 which again violates individual privacy rights.
- The requirement that there be a report of all disbursements to employees means that everyone from the receptionist who answers the phone at a union office to the president will have their names, salaries and benefits disclosed to the public. Yet the Prime Minister's Office says it cannot disclose the salaries of people working there because it would be an invasion of privacy. Sounds like a double standard.

4. The hidden agenda – interference in labour relations.

- This Bill, is not at all about taxes, so doesn't belong in the *Income Tax Act*. It is clearly interference in the labour laws of this country, most of which are in provincial jurisdiction. It is an overt interference in the labour relations process designed to give significant advantages to employers, at taxpayers' expense.