

Bill C-377: An Attack on Unions in Canada

By Stephen Gillies, TEAM/IFPTE Local 161

Labour unions in Canada are under attack by Bill C-377, a proposed amendment to the Canadian Income Tax Act. Introduced as a private members bill by Russ Hiebert, the Conservative MP for South Surrey-White Rock-Cloverdale, the bill's supposed intent is to make unions more financially transparent. If passed into law, it would subject every union in Canada to new reporting regulations requiring all expenditures over \$5,000 to be disclosed on a public website.

The real reason for the bill is the Conservative party's agenda to weaken labour unions and collective bargaining. Consider the following facts:

■ C-377 modifies Section 149 of the Income Tax Act defining tax benefits for non-profit organizations, and imposes new reporting rules for labour unions. Of the listed organizations, only labour unions are singled out. Professional associations such as those of doctors or lawyers are not subject. Organizations like the right-wing Fraser Institute, and business associations like the Canadian Federation of Independent Business would also be untouched. If C-377's intention were truly to make all Section 149 organizations more transparent and accountable, the bill would apply to all organizations with similar tax benefits, not just labour unions.

unions to typically assign two staff members for half a year just to do the paperwork. Speaking in parliament, Comartin quoted Grover Norquist, the Republican strategist and driving force behind the American version of the legislation, who said "Every dollar that is spent [by labour unions] on disclosure and reporting is a dollar that can't be spent on other labour union activities." The proposed Canadian legislation is even more onerous, burdening small independent unions as well as national ones with new regulations. Comartin further commented on the cost of enforcing the new legislation. "If the government in fact follows through to enforce this, the number of people it will have to hire, we estimate, is somewhere in the range of at least a hundred people. A whole new data system would also have to be developed to analyze all of the data. We are talking of tens of millions, if not into the hundred million dollar range on an annual basis."

The existence on Bill C-377 is not well known by the public or by parliamentarians, and has not caught the attention of the media. Canadian labour unions and concerned citizens are starting to rally in opposition. One such protest took place on May 15th when representatives from unions across Canada, including IFPTE Locals 161, 162 and 164, converged on parliament Hill and lobbied Members of Parliament to raise awareness about C-377. Organized by the Building and Construction



Before the Houses of Parliament in Ottawa, Ontario. (l-r): Bob Linsdell (TEAM/IFPTE Local 161), Misty Hughes-Newman (Canadian Area Vice President/President, IFPTE Local 161), Andrew Weremy (President, WAPSO/IFPTE Local 162), Eric Heyen (Secretary, IFPTE Local 164), and Matt Biggs (IFPTE Legislative Director).

■ Unions are democratic organizations that are already constitutionally accountable to their members. Audited statements of revenues and expenditures are regularly publicized at General Meetings, and all union members have the right to consult their locals about finances at any time. The demand that every transaction, such as deposits to strike funds or payments for legal services, be published for scrutiny by employers certainly does not originate from union members. C-377's effect would be to give employers a bonanza of new information about union operations and resources, undermining the bargaining position of unions during contract negotiations. If C-377's intention were really to ensure transparency, it would focus on accountability to union members, and not on disclosure of strategic information to employers.

■ The legislation, if enacted, will be costly to every union local and to all Canadian taxpayers. Joe Comartin, NDP MP for Windsor-Tecumseh, has noted that similar legislation already passed by Republican legislators in the US has required national

Trades Canada, the meetings were successful in vocalizing opposition to Bill C-377 to Members of Parliament.

C-377 has passed second reading in Parliament and is at the committee stage, for discussion and amendment before being passed into law. Private Members' bills seldom proceed to third reading to be enacted, but this one could well be the exception. By introducing this legislation as a private member's bill, the Conservative government, known to be hostile to labour, can orchestrate an attack on unions while publicly denying its involvement. The Conservatives have a majority and the ability to pass the legislation unilaterally.

If it does so, a legal challenge by Canadian unions may be anticipated as this legislation conflicts with constitutional privacy rights. It is even more likely that the legislation, if passed, would be repealed or amended by a future NDP or Liberal government that does not have the anti-union bias of the present one. Canada's next federal election will be in 2015.

Until then, the fight goes on.