



International Association of Heat and Frost Insulators and Allied Workers Local 95

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Clerk of the Standing Committee on Finance
131 Queen Street, 6th Floor
House of Commons
Ottawa, ON
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RE: Submission on Bill C-377

I am writing this submission in response to a letter dated October 17, 2012 by the Minister of Finance. I would like to begin by letting the Committee know who I am; I am the President of a Building Trade Union, the Heat and Frost Insulators and Allied Workers, Local 95. My trade consists of people who have a set of skills within the thermal Insulation industry that perform highly skilled work, generally in the construction, maintenance and fabrication areas. My Union has been around for over seventy years and belongs to an International Association (International in this circumstance means Canadian and American). Unlike a significant number of other Unions, Building Trade Unions are different. It must be pointed out that the construction Unions in Canada are regulated by Provincial *Labour Relations* or *Trade Union Acts* that apply to all aspects of their operations, which includes the Duty of Fair Representation, duties under the Union's own regulatory structure and the reporting, disclosure and fairness obligations under those statutes.

I would like to point out to the Committee a myth reported many times by the Honorable Mr. Russ Hiebert about Unions getting funded by Canadian tax dollars. Unions get no funding from government. Union members are able to deduct from income, as a business expense, the cost of their Union dues. This is exactly the same situation that applies to members of professional corporations, doctors, lawyers, accountants, etc. There are at least as many people in professional organizations and at least as much money that is tax deducted for professional associations. Why are those associations not required to comply with Bill C-377? Further, every member-based advocacy organization, like a Constructors' Association gets the same ability to deduct association dues from income. Why is this not a similar concern??



The MERIT Shop collects its money in the same way as a Union, from an employer check –off; why are they not included within the *Bill*? Aren't they funded by tax dollars that the Government of Canada forgoes collecting by allowing MERIT dues to be a "business expense"? For that matter, so is a ticket to the Blue Jays game or a business dinner!! No one from MERIT wants those tax payer 'funded' expenses reported publicly!

Unions are labeled as reporting entities under the *Income Tax Act*. They will not just be reporting entities but they will be reporting entities which are not protected by the non-disclosure provisions of that *Act*. If business organizations and professional organizations, which are funded by member dues, do not have to report why would Unions be reporting entities? If the analogy holds true the people of Canada forego the tax income from Union dues (obviously the amount of money paid to Professional Associations would also be a "donation from people") how much money does it allow business organizations to deduct for the dues they pay to the Chamber of Commerce, the Chamber of Resources, the Chamber of Mines? These organizations have the same mandate and the same structure and goals as Unions. They are membership- driven to achieve membership goals. Ought they not be reporting entities as well? Unless this question can be answered satisfactorily, providing for the passage of Bill C-377 merely confirms what a number of members think: that the Government of Canada is content with the fact that the Private Member's Bill is to target only Unions. For all of the valid and subsisting reasons that business or business organizations are entitled to confidentiality, is there any reason to forgo it for Unions? If the policy reason for this *Bill* is "the public money funds Unions" myth, then why does that not also hold true for these similar professional organizations?

The cost of this Bill I will not dwell on for long; the proponent opines that the accounting is all there now and this will be just plugging a few numbers into a new form. This opinion is ill informed and just plain wrong! The professionals who deal with the financial affairs of the Unions and the Union Trust Funds are of a very different view. It will cost 20% more for administration of the various entities and this is confirmed by the U.S. experience of our sister locals Unions in the U.S. The number of required filings will be exhausting. As an illustration, my Local, Local 95 of The Heat and Frost Insulators and Allied Workers of Ontario, we will have to make at least 18 separate filings, not including the three Trust funds that we jointly manage with our employer group. Surely this will not be "free" to the Union members. They will either pay more in dues or get lesser pension, dental benefits or services. The cost must be funded from somewhere. What the Government should be doing is working with employers and Unions in a cooperative environment to develop strong economic and human resource strategies; not using Private Members' Bill's to weaken the labour movement.

Who will pay for the Union Registry? Parliament has gotten rid of one registration boondoggle, and this will create a new one. Just to receive the fillings will require staff; the fillings must be put on the public searchable data base and there will need to be compliance audits and compliance staff to ensure confidence in the remissions to the CRA. Where is the Royal Recommendation for the expenditure of public money?

The publication of private, personal information on payments to an individual (such as their name and address from a pension plan, trust fund or health plan) could make Union members vulnerable to scam artists or other illegal schemes. Both federal and provincial privacy laws expressly prohibit this sort of disclosure that is sought by the *Bill*. The Committee should be careful in recommending a law that would be in conflict with the laws that already exist. The *Bill* will also require labour organizations to file information on salaries and benefits paid to their employees, along with their names. This seems somewhat intrusive compared to the fact that we cannot obtain information on the salaries of those who work in the Prime Minister's Office, whose office budget is solely funded by Canadian tax dollars!

Who is asking for this change to the *Income Tax Act*? If there were a swell of workers seeking the amendments, there might be a pause and the need for deep thought, that is not the case. I have travelled across Ontario speaking with my members and they are not asking for this *Bill*. I have sent many emails, faxes and letters to the Prime Minister's office, various Cabinet Ministers and my M.P., Honorable Dean Allison. As for the Union members that want this *Bill*, nobody to this date has responded or provided me with any information. This leads me to believe only the anti-Union employers' group is asking!

It seems, at least in the press, that the sponsor of this *Bill* has not had any Union member ask him to change the law. Other than the MERIT shop and a couple of other right wing ideologues who are unalterably opposed to Unions, no one else has come forward. The MERIT shop is an anti-Union organization. It advocates for Union-free construction and it is the Building Trade's business competitor. It has spent enormous amounts of money on its media advertising campaign in support of this *Bill*. The people who work for MERIT contractors are not in a Union. What interest does MERIT have in people who are employed by their competitors? The answer to that should sound alarm bells to any person regardless of their biases in respect of Unions. What interest does MERIT have in this? The answer is that it would be an intelligence bonanza for them in being able to know everything that goes on within a Union, or any of its Trust Funds or other Plans. This would be courtesy of the Canadian taxpayer and would give them an enormous business advantage. Should MERIT have the right to exist, though some might disagree with everything they do? Absolutely! They should be allowed to keep their confidential financial information confidential and only available to those who contribute. All I am advocating for is the same right.

On behalf of the Heat and Frost Insulators and Allied Workers and our 1800 plus members, I thank you for taking the time to read my submission on *Bill C-377*. I sincerely ask you to think about this *Bill*; while it may be amusing for some to "kick the Unions" there is more at stake than that. What is the *Bill* supposed to do? It is ostensibly about "openness and transparency" within Canada's Unions. The *Canada Labour Code* and the various provincial *Labour Codes* already does that.

If I may quote the Honorable Prime Minister Stephen Harper, "Cutting red tape is a most effective way to show that we are making government work for people, not the other way around". *Bill C-377* does the exact opposite. I ask the Committee to reject this seriously flawed *Bill* for what it is and for what it seek to do. Amendment will not redeem its flaws.

Thank you for your attention in this matter, please do not hesitate to contact me at dgardner@insulators95.com or 905 577 3142.

Fraternally yours,

A handwritten signature in black ink, appearing to read 'David Gardner', with a long horizontal flourish extending to the right.

David Gardner,
President Local 95