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## National Citizens Coalition: Bill C-377

Written Submission

BILL C-377 is one of the most important pieces of legislation to come before parliament this year. This government has been very vocal about the need for increased transparency and accountability at the federal level, and Bill C-377 will demonstrate that this government is serious about following through with its promises.

What is more, Bill C-377 is a private member's bill – which properly reflects the grassroots nature of this issue. Numerous polls have shown that union transparency is an issue that Canadian taxpayers feel very deeply about. Repeated surveys of union and non-union workers alike have revealed that an overwhelming majority of Canadian workers want to see how unions are spending their money.

According to an August 2011 NANOS research poll, 83% of Canadians favour greater transparency for labour unions and their leadership. 86% of unionized workers share this view – which is indicative of a profound dissatisfaction with the status quo. Union leaders are, in theory, bound to follow the wishes of their members. It has become very difficult to understand how these union leaders are now able to justify working against the wishes of their members.

In Canada, unions are afforded some of the most lucrative tax benefits in the developed world. In 2010 alone the federal Treasury was deprived of more than \$745-million due to these tax benefits. To continue receiving these benefits

unions ought to do a much better job of documenting and disclosing where this money is going.

It is in this area – the reporting of financial activities – that Canada’s unions have fallen woefully behind international standards. In fact, it has become a running joke in political circles that it is easier to find information on Canadian unions by consulting the U.S. Department of Labour than any of our domestic sources. This framework is failing unionized and non-unionized workers alike.

If we look to Australia, Great Britain, Germany or the United States, similar union disclosure mechanisms have already been in place for decades – for example the United States’ Labor-Management Reporting and Disclosure Act of 1959. In these countries, union financial disclosure is not considered ‘an attack on organized labour’, it is considered a part of responsible government.

As things currently stand, Canadian unions provide significantly less financial disclosure than other recipients of federal tax benefits. Charities, Aboriginal groups, and other such associations are required to submit standardized financial reports – so why are unions seeking preferential treatment?

Of course, there are very clear reasons why unions ought to disclose their financial activities. For several decades Canada’s unions have been redirecting workers’ forced dues to fund political projects unrelated to collective bargaining. Many workers are required to join a union as a condition of employment – and have little to no say in how these dues are being spent. This is wrong – and it is a violation of the democratic political process as well as responsible labour standards.

These ongoing abuses reveal that the standalone oversight policies of individual unions are insufficient, and it is time for a standardized approach at the federal level. At the National Citizens Coalition we believe union bosses should be prevented from spending their members’ forced dues without reporting their activities or consulting their membership. The only way to achieve this is proper oversight.

Throughout the consultation process for Bill C-377, Canadians have been assailed by union bosses claiming that financial disclosure will cost them too much money. This argument simply does not add up. If unions are providing their members with proper accountability and oversight – as they claim – the costs of reporting these same activities publicly will be negligible. The only way that

unions will incur any undue financial cost resulting from Bill C-377 is if they are not properly reporting their financial activities right now.

If unions are currently doing a good job communicating their financial activities to their members, then why are 86% of unionized workers in favour of public disclosure.

Remember, unions are made up of individuals – and individuals have rights in Canada. It is time to respect these rights and stand up for democracy in the workplace.

At the National Citizens Coalition, we have always believed that transparency and oversight are the only ways to provide real accountability. In regards to Bill C-377 the real controversy is that union bosses are working so hard against their own members' wishes. In fact, without standardized disclosure at the federal level we cannot even tell how much money these union groups are spending on this campaign to silence their own members' voices.

This secrecy has no place in Canadian politics, and that is why Bill C-377 is an important piece of legislation for Canada.

Bill C-377 does not threaten the existence of organized labour. Bill C-377 does not eliminate the tax benefits for unions. Bill C-377 does not call for the abolishment of forced-dues. Bill C-377 does not even restrict how unions spend their money.

Bill C-377 only seeks to report on the financial activities of unions – something that union bosses should be eager to accept. If Canada's unions are spending their members' money in a responsible and democratic fashion then they should be proud to disclose to the public how they are spending their money. The only possible reason for such obstinacy is that these union bosses know that their membership and the public at large would not support the way they are currently spending money on political causes.

Bill C-377 will help Canadians to make their own informed decisions about unions. If Canada's unions feel threatened as a result of this level of transparency they have only themselves to blame.