

# More financial disclosure by unions will increase transparency, improve accountability to members

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VANCOUVER, BC—Canadian labour unions should be required to be more transparent and financially accountable to their members, says Niels Veldhuis, Fraser Institute senior economist.

“At the moment, most unionized workers are in the dark when it comes to how union executives spend the millions of dollars in dues they collect each year. There’s no accountability, and union executives are free to spend money on political activities and activist campaigns that their members may not support,” Veldhuis said.

“In 2006, the Fraser Institute released a study comparing Canadian union disclosure regulations to those in the United States, and we recommended that Canada enact similar, more stringent financial disclosure regulations for labour unions.”

The study, *Union Disclosure in Canada and the United States*, found that neither the federal government nor any province requires unions to publicly disclose financial information. Eight jurisdictions in Canada (seven provinces and the federal government) mandate some financial disclosure to union members, but only if formally requested, and there are no regulations specifying the amount of detail required in union financial statements.

The notion that labour unions should fully and publicly disclose the uses to which their members’ dues are put is gaining some traction. On Monday, MP Russ Hiebert (South Surrey–White Rock–Cloverdale) introduced a Private Member’s Bill in the House of Commons to amend the Income Tax Act so as to improve labour union financial disclosure. The bill would require unions to file financial statements with Revenue Canada revealing (among other items) salaries of union executives and trustees, amount spent on labour relations activities, amount spent on political activities, amount spent on lobbying, and amount spent on collective bargaining.

“Greater public disclosure of union financial activity is a necessity in Canada, where many workers are forced to join a union as a condition of employment,” Veldhuis said.

“If labour unions are not required to provide financial disclosure, our research shows that Canadian workers will remain exposed to a double bias. They can be forced to join and financially support a union while having limited access to detailed information about how the union uses their money.”

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