

Tory MP introduces ‘union transparency’ bill

Unions insist bill intended to create problem, not solve it; information already available

Danielle Harder – October 17, 2011

Union officials say a recently introduced private members bill that would require greater financial disclosure by labour organizations is unnecessary — and an attack on organized labour in Canada.

B.C. Conservative MP Russ Hiebert says his amendment to the Income Tax Act would require all labour organizations to file a standardized set of financial statements annually that would then be posted publicly on the internet.

“With public disclosure, Canadians will be able to gauge the effectiveness, financial integrity and health of their unions,” he says. “The principle is, just like charities, labour organizations receive a public benefit and the public should be informed how that public benefit is being used.”

Canadian Labour Congress president Ken Georgetti says unions are already required to provide that financial information to their members.

“This is an attempt to create an issue that doesn’t exist,” Georgetti says. “This government has bullied civil servants, bullied scientists, bullied the churches and NGOs, and now they want to bully the labour movement.”

CAW economist, Jim Stanford, echoes those concerns. He says his union discloses audited financial statements regularly to its elected board of directors, all union locals, and to delegates at its conventions.

Those statements are also filed with government labour boards, where they are accessible to individual members and the public.

But some outside the labour movement say the current financial reporting required of unions doesn’t go far enough.

Louis Fortin, a human resources consultant with the Montreal Economic Institute and the Quebec representative of LabourWatch, is particularly concerned with how union dues are spent.

“Right now, the average union member is not upset if that money is used to represent them at the bargaining table or at a labour board hearing,” he says. “But they have concerns when it’s being used to defend a particular ideology or political or social cause.”

Fortin adds members may not support the issues taken up by their unions, particularly if the union is supporting causes outside of Canada.

He points to a Nanos poll, commissioned by LabourWatch, released last month that suggested 83 per cent of working Canadians support mandatory financial disclosure.

Fortin says the public, not only union members, has a right to know how labour organizations spend their money since union dues and strike pay are tax-deductible, adding that information should also be available to employees during an organizing drive.

“[Once the bill is passed] They can go to the (Canadian Revenue Agency) website and see whether the union manages its books well, that there’s not too much debt, to see if it’s a solid organization,” he says.

Ontario Federation of Labour president Sid Ryan says he’s “perplexed” by the need for this legislation, and questions why the amendment isn’t extended to cover organizations such as The Fraser Institute and the C.D. Howe Institute, which also benefit from tax exemptions.

“We don’t get any access to information about their donors,” he says, noting these organizations receive money from corporations and influence public policy. “That’s real information the public should have access to.”

Ryan insists there is nothing in the proposed legislation that would demand more transparency than already exists. The only key difference is the information would be posted on the Canadian Revenue Agency website.

Fortin disagrees and says a more “line-by-line” approach is needed, similar to that found in the U.S. where unions are required to post annually outstanding loans, the salaries of all employees, their working conditions and bonuses — and the money being spent on lobbying.