

THE WINDSOR STAR

Vander Doelen: Unions not an open book

By Chris Vander Doelen, The Windsor Star October 7, 2011

Back in April, Essex MP and former CAW member Jeff Watson made waves by suggesting that unions, by law, should have to tell members how their dues are spent.

If you remember, the backlash from union leaders was ferocious in its intensity. So were the personal attacks and name-calling against Watson.

That was when Watson's Conservative party was still mired in a minority government position. They had no hope of passing such a proposal into law without support from either the Liberals and NDP, who would not have given it.

That was then. Now that the Tories have a comfortable majority in Parliament they can make their wishes come true. And now it is the unions which have little hope of stopping them.

That won't prevent a huge and probably nasty fight over the bill, however. Watch Canada's labour movement ramp up their battle against public financial disclosure rules anyway, probably to scary levels.

At stake is their unfettered control of \$745 million worth of members' dues and dues to professional associations, which are spent virtually as their executives please.

The government of Canada - that is, you and me - forgo between \$300 million and \$400 million in taxes on that money, making it a national expense.

This week B.C. MP Russ Hiebert (South Surrey-Whiterock-Cloverdale) tabled a private member's bill in the Commons calling for almost exactly the same kind of public disclosure rules for unions and professional organizations (doctors, lawyers, nurses, etc.) that Watson suggested in the spring. In fact, Watson intends to second Hiebert's bill.

"I've been waiting for this for a year," Hiebert told me by phone this week. By tradition, private member's bills are introduced by lot, and Hiebert drew the lucky No. 1 spot in the draw for the 41st Parliament.

Watson, who planned to introduce a similar bill, drew slot No. 240, which meant he might have to wait until 2014 for a chance to introduce his.

"So I'm definitely going to second" Hiebert's bill, Watson said Wednesday. "I ran on it during the federal campaign that I would push for disclosure."

What Hiebert proposes is having unions and the others file a "standardized set of financial statements" with the Canada Revenue Agency, every year.

The statements would be similar to the annual reports submitted by all charities, which are similarly tax exempt. The reports wouldn't have to track "every penny" of spending, he says, but most of it.



Windsor Star columnist Chris Vander Doelen
Photograph by: Jason Kryk, The Windsor Star

The results would be posted on a government website for all Canadians, union members and otherwise, to see.

"I hope there is broad support from all parties" for the bill, Hiebert says.

"Canada preaches around the world about the value of transparency" in public spending, so we should be willing to live up to those standards at home, he says.

According to a summer poll conducted by Nanos, 83 per cent of Canadians support such disclosure and an even higher proportion of union members do: 86 per cent.

Why do more of us union members want disclosure than other Canadians? "There always seems to be a shroud of secrecy around how union money is spent," says Watson, who like I am now was a member of the CAW when he worked at Chrysler Canada's Windsor Assembly Plant. (Watson was Local 444; I've been a member of Local 240 since 1995).

"I don't know how many times I asked of my union steward while I was on the line, when do I get to see a financial statement?" Watson said. "Somehow they never materialized.

"We have the right to see one but nobody ever produces one," he said of audited union statements.

I've had precisely the same experience. (And I don't mean a bogus bare bones "statement." I want a proper, sworn third-party audit).

Given the instant and furious reaction of union leaders to this proposed transparency law, we members can only assume they have something to hide.

In Windsor, that might include expenses charged to union credit cards, which judging by a recent case about an executive charging personal expenses could be ripe for abuse.

They might also want to keep quiet the money spent on the many sets of custom-built golf clubs that retiring union executives receive, paid for by the union according to local golf suppliers I've spoken to.

But that's peanuts. I suspect that what unions really want to hide are their political contributions and third-party election spending, and financial support of dozens of supposedly unrelated non-profit organizations that range from environmental groups to left-wing publications the members wouldn't want to support, if asked.

For the record, Hiebert says he is not anti-union. "It is my belief labour organizations play a valuable role.

They also receive substantial benefits from taxpayers in terms of tax deductions."

Therefore it is only fair that union members and every other Canadian who helped fund those deductions "have access" to their financial records, he says. "I think it is a good thing for democracy," he says of his proposed bill.

Me too. I only wish it were retroactive.

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