

PSAC and Bill C-377

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In conjunction with the Canadian Labour Congress, PSAC is calling on members to [contact their Member of Parliament](#), especially if the local MP is a Conservative, concerning [Bill C-377](#).

This Bill is part of the Harper government's attack on any organization or individual that stands opposed to its agenda. A pillar of this attack is the infamous [omnibus budget bill](#) that goes after old age security, employment insurance, CSIS oversight, food safety, fish habitat protection, environmental regulations, public servants, and registered charities.

Bill C-377 is a Private Member's Bill sponsored by [MP Russ Hiebert](#), (Conservative, South Surrey-White Rock-Cloverdale) designed to further hobble one of the strongest voices dedicated to defending the interests of Canadians, unions.

In its current form, Bill C-377 would be the most costly and discriminatory Bill faced by the labour movement across Canada in memory. It is a clear attack on the right of association, the right to privacy and freedom of speech.

Harper is once again hiding behind a Private Member's Bill, as he did when he destroyed the Long Gun Registry, to avoid having to take responsibility for his own agenda.

This Bill targets labour organizations only - the Bill does not apply to other professional organizations that collect dues that are [eligible for tax relief](#), such as the Canadian Public Relations Society, the Investment Dealers Association of Canada or the Purchasing Management Association of Canada.

The Bill is being supported by such anti-union groups as the [Fraser Institute](#), the [Merit Shop Contractors](#), [Labour Watch](#), the [National Citizens Coalition](#) and the [Canadian Federation of Independent Business](#) because they want to cripple unions in Canada and the passage of this Bill will advance that agenda.

The Bill will require every labour organization and every labour trust (pension plan, benevolent fund, training fund, and health and welfare fund) to file a public information return with the Canada Revenue Agency (CRA) within six months from the end of the organization's fiscal period. Every labour organization or labour trust that does not fulfill this requirement "is guilty of an offence and liable on summary conviction to a fine of \$1,000.00 for each day that it fails to comply with that section."

The return will ask for detailed financial statements, 29 schedules including, but not limited to:

a balance sheet;
income and expenses;
the names and addresses of the payer and payee of any transactions over \$5,000.00;
accounts receivable;
loans receivable;
a description, cost, book value and sale price of any investments sold or purchased;
account payable;
loans payable;
any disbursements to officers, directors, trustees, employees, contractors;
disbursements on labour relations;
disbursements on political activities;
disbursements on lobbying;
grants, gifts and grants; disbursements on administration;
disbursements on general overhead;
disbursements on organizing activities;
disbursements on collective bargaining activities;
disbursements on conference and convention activities;
disbursements on education and training activities; and
disbursements on legal activities.

All of this information is to be posted on the CRA Web site, “in a format that allows for word searches to be performed and for cross-referencing of data.”

The Conservatives are being at best disingenuous, at worst just plain lying about this Bill and the costs related to it.

If this Bill becomes law it will not increase accountability and transparency of unions to the members of unions. It simply makes detailed financial information available to those dedicated to the destruction of unions.

Unions are not regulated under the *Income Tax Act*, most are under provincial jurisdiction. The Conservatives are trying to use the *Income Tax Act* as a method to regulate something that is beyond the Federal Government’s purview.

The Conservatives are making comparisons as to how the Federal Government regulates charities and that they are simply calling for the same level administration of unions.

	Registered Charities¹	Labour Organizations possibly affected by Bill C-377
Number	85,000	25,000 ²
Tax relief	Almost \$2.4 billion because of donations	\$400 to \$500 million ³
Persons employed by CRA to monitor these organizations	270 in the Charities Directorate 40 in Tax Services Offices to carry out audits	Unknown
Budget	\$23 million	Unknown however, “would not create significant costs to the government.” ⁴ or “tens of millions, if not into the hundred million dollar range” ⁵
Organizations that fail to file their annual return in one year	33,000 (in 2008)	Unknown
Ultimate penalty for failure to file	Revocation of registration and its assets can be taxed away	Guilty of an offence and liable on summary conviction to a fine of \$1,000.00 for each day that it fails to file

¹ The figures for registered charities are taken from the 2010 Office of the Auditor General of Canada report on Registered Charities-Canada Revenue Agency, and are applicable for 2009, except as noted.

² The estimate is from the Canada Labour Congress.

³ The estimate is from Russ Hiebert, speech in the House of Commons, [February 6, 2012](#).

⁴ The comment is from Russ Hiebert speech in the House of Commons, [February 6, 2012](#).

⁵ The comment is from Joe Comartin (Windsor-Tecumseh, NDP), speech House of Commons, [February 6, 2012](#).

Even a quick review of [Form T3010-1](#), the annual return that must be submitted to the CRA by registered charities, shows that registered charities do not face near the same level of scrutiny as unions would if this Bill becomes law. At this point there is no way of knowing how much time and effort it will take for the labour organizations to complete the form, but it will be substantial.

Lawyers have also identified this Bill as a [direct attack on lawyer/client privilege](#) and the “costly and discriminatory” Bill is an attack on the privacy of anyone working for a union, according to the [International Union of Operating Engineers](#):

every business or professional that does work for a union will have all of the information about what they are charging and what their contracts are, disclosed to the public, and

therefore to their competitors. The effect would be bad for businesses that have contracts with union offices. Businesses like photocopier suppliers, telecommunications companies, and office supply companies would have their negotiated contracts publicly available for their competitors to see.

In summary, to quote Joe Comartin (Windsor-Tecumseh, NDP), in [his February 6, 2012, speech](#) in response to this Bill:

this is a frontal attack on the labour movement in this country. It is also an indirect but very clear attack on a number of other rights that Canadian citizens and residents have in this country: the right of association; the right, quite frankly, to privacy; and the right to freedom of speech within the right of association. The bill undermines all of those rights, if not completely doing away with them in some cases.

To stand in this House, as the member for South Surrey-White Rock-Cloverdale just has, to say this is all about accountability and transparency and not about ideology is totally false.

Let us understand the context of the bill. The Bush Republicans did the same thing in the United States. However, they did not go nearly as far as the bill before us does. I have two quotes on the ideology, strategy and tactics behind this. The first is by Newt Gingrich, one of the leading members of the ideological right in the United States, who said that requiring detailed disclosure on union advocacy activities would “weaken our opponents and encourage our allies”.

Another right-wing U.S. activist, Grover Norquist, said, “Every dollar that is spent [by labour unions] on disclosure and reporting is a dollar that can't be spent on other labour union activities.”

This was designed from an ideological standpoint, and in the case of Canada, from a big business, multinational standpoint. The support behind the bill comes from that same group, and that is what is driving it. This is not about accountability and transparency. The level of hypocrisy of the government in this regard I think speaks clearly to that. This is an attack on the labour movement in this country.

One way or another, it would have the effect that the member wants, which is to give his “allies”, as Newt Gingrich put it, this information to fight their enemies.