

Union debate: More open than you

By Ken Lewenza & Dave Coles, Special to National Post – Sept 6, 2011

Unions are more transparent than the firms attacking them

The recent commentary by Terrance Oakey of Merit Canada criticizing the transparency of labour unions and the proposed new union being built by the Canadian Auto Workers union (CAW) and the Communications, Energy and Paperworkers union of Canada (CEP) contains numerous errors of fact (“[Union merger shows need for disclosure](#),” Aug. 22).

The federal Conservatives have made it clear they are no friend to the union movement. Their unprecedented interventions in collective bargaining in the airlines, railways, postal services and others is proof in the pudding. The government’s Bill C-377 follows that trend by slapping onerous and discriminatory accounting regulations targeted at unions, under the guise of enhancing financial “accountability.”

Let’s be frank. Bill C-377 has nothing to do with financial accountability. The truth is union members have full access to detailed financial statements and dues spending. Our unions publish regular audited financial reports that are distributed to locals and can be accessed by any member. Most jurisdictions in Canada require annual financial statements to be filed by all certified unions, where they can be inspected by the public.

Salaries paid to CAW and CEP leaders and staff are outlined in our respective constitutions and must be approved by our members. They can be accessed online, for all to see. So, Mr. Oakey is not wrong when he laments the fact there are no laws requiring the disclosure of our year-end salaries. He’s just not telling your readers that this information is already available.

Union members can learn where their dues go quite easily, by attending union meetings, calling a union officer, reading union newsletters, or attending a national convention (as an elected delegate, or guest) like the one CAW held recently in Toronto, and that CEP held in 2010. (Both conventions were livestreamed, so even Mr. Oakey himself could watch online and free of charge.) Most important, union members control how the money is spent through established and transparent democratic processes: local meetings, councils and conventions.

The real effect of Bill C-377 would be to impose a punitive and unreasonable administrative burden on union organizations — a standard not applied to businesses or any other economic stakeholder. Requiring every union organization (down to the smallest local) to generate and distribute customized reports detailing any expense over \$5,000 will impose enormous administrative costs and divert resources from unions’ regular business. (That, quite likely, is Merit’s ultimate goal.)

In fact, Bill C-377 as written will probably never see the light of day because it violates basic Canadian privacy laws. It would oblige unions to disclose the names and personal information of health benefit



Many businesses reveal far less than unions, despite getting similar tax breaks, union leaders say.

recipients and the private legal matters of members and their families. Moreover, it could impose an unfair burden on various service providers that unions do business with, among other things — items that Mr. Oakey conveniently failed to mention in his commentary.

The whole attack is justified on grounds that unions are “subsidized” by taxpayers, and hence taxpayers have a right to know how the money is spent. This is nonsense. Unions do not receive government subsidies (other than some small support for training programs and other non-bargaining functions). Union dues are deductible on individual tax returns, following the same logic as other deductions (like business expenses, tuition payments, and others). If you have to spend money (now) to make money (later), then you are naturally taxed on the net income. Since union dues allow workers to negotiate better wages for themselves, their dues are deducted from income. This isn't a “subsidy;” this is exactly the intended purpose of tax law in Canada.

It's ironic that the business-backed supporters of C-377 haven't offered a similar vicious critique of the corporate community, who for years has exploited tax loopholes to score breaks on luxury seats at sporting events, expensive rounds of golf at posh resorts, and fancy dinners.

Most privately held businesses face no legal requirement to disclose financial reports, executive compensation, or other internal matters. So for business lobbyists to criticize unions on any of these grounds is rich, indeed.

Mr. Oakey's criticism of the proposal to form a new union that's being voted on by CAW and CEP members was also misplaced and misinformed. Every step of the process that could potentially bring our two unions together has been fully transparent. Each meeting and consultation has been documented, including through a special (and still active) public website. Through this new union proposal, we're aiming to strengthen a democratic, transparent mass movement that will help right the ship of a dead-end economy for workers.

Unions are more democratic and transparent than the private companies which Mr. Oakey represents — the same organizations that consistently hold a foot to workers' throats and then claim, in the case of Bill C-377, to have their best interests at heart.

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