



Openness and Transparency? Not for Big Labour.

Merit Canada condemns Federal Government to refusing to implement legislation passed by Parliament

(OTTAWA) December 21, 2015: Merit Canada condemned the Federal Government for today announcing that union financial transparency legislation passed by Parliament will not be enforced by the Trudeau regime.

“The Prime Minister promised Canadians openness and transparency. Now his Government is overturning the will of Parliament and refusing to enforce a law that would have provided rank-and-file union members and the general public with information about the \$4 billion black hole of union spending in Canada,” stated Terrance Oakey, President of Merit Canada.

Bill C-377, *An Act to amend the Income Tax Act (requirements for labour organizations)*, was passed by Parliament in June and established new reporting requirements for unions, including annual financial statements, the amount of time spent on political activities and financial support for social causes.

“If the Liberals want to give union bosses a break on transparency, then they should introduce a bill, explain why it is needed and let Parliamentarians vote on it. Today’s action is an affront to our democratic system,” added Oakey.

The requirements of this legislation were due to take effect for the 2016 calendar year and were strongly supported by Canadians. For example, a Forum Research poll in July found 62% of Canadians support the legislation, with only 18% opposed.

“Canadians should be alarmed that their new government does not want any public scrutiny of union spending on political and social causes. What was going to come out in the 2016 reports that Mr. Trudeau is so afraid of?” asked Oakey.

A star witness at Quebec’s Charbonneau Commission who later testified to the Senate when it studied this legislation was the former high ranking union official turned whistleblower Ken Pereira. In detailing the financial mismanagement he discovered within his own union, Pereira told the Senate that “All Canadians, not just unionized Canadians, need detailed online financial disclosure of all tax exempt union organizations to put an end to the abuse of tax deductible union dues.” Pereira’s revelations were such a hit that his life was threatened.

“This is the system and culture that those opposed to financial transparency seek to defend. It forces the public to rely on whistleblowers risking their own livelihoods – and lives – to reveal financial mismanagement within unions,” concluded Oakey.

Canada’s big union leaders opposed transparency, despite the fact that similar legislation in other countries has identified widespread financial mismanagement. In Australia, for example, it got so bad that the government called a public inquiry, the Royal Commission into Trade Union Governance and Corruption, which is due to report later this year. Union financial disclosure laws in the U.S. led to over 900 criminal convictions for inappropriate and fraudulent activity between 2001 and 2008, according to the Office of Labor Management Standards.

About Merit Canada

Merit Canada is the national voice of Canada's eight provincial Open Shop construction associations. Open Shop companies and workers build more than 70% of the industrial, commercial/institutional, and residential construction projects coast to coast to coast. As of June 2011, the Canadian construction sector employed 1.26 million Canadians with 900,000 working in the “open shop” sector.

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