

# **Bill C-377: An attack on Free Speech – Briefing Note**

## **Background**

In October 2012, a federal Conservative Private Members Bill, C-377, is expected to be called for Third Reading in the House of Commons. If it passes this vote, C-377 will become law across Canada.

The Summary of the published draft legislation describes it as requiring labour organizations (to) *"provide financial information to the Minister for public disclosure."*

Section 1 of C-377 would amend the income tax act at Section 149.01 ( 3) (b), to require *"every labour organization to file with the Minister a public information return for the year containing, (among other things) a set of statements for the fiscal period setting out the aggregate amount of all transactions and all disbursements—or book value in the case of investments and assets—over \$5,000 shown as separate entries along with the name and address of the payer and payee, the purpose and description of the transaction and the specific amount that has been paid or received, or that is to be paid or received,..."*

The Bill requires that in respect to money paid to *"officers, directors, employees and contractors,"* that the filing stipulate the *"percentage of time spent dedicated to political activities and lobbying."*

C-377 goes on at Section 3 (b) (i-xx) to require statements of disbursements for *"labour relations activities, political activities, lobbying activities, organizing activities, collective bargaining activities, conference and convention activities, education and training activities, legal activities, administration, general overhead, contributions gifts and grants, and at 3 (c) "all non-labour relations expenditures."*

## **Bill C-377 - An Attack on Free Speech**

Dressed up as a financial reporting measure, Bill C-377 is actually, as the Canadian Centre for Policy Studies (CCPS) explains, the "first-step" in a campaign to prevent unions from spending money to campaign on political issues. As such, it is the beginning of an attack on the exercise of free speech in Canada.

Bill C-377 relies on an artificial separation of "lobbying" and "political activities" as being distinct from bargaining and labour relations. In recent years more and more right wing think tanks and lobby groups have argued that governments should legislate to prevent unions from spending dues money for any purpose outside bargaining and labour relations.

At CUPE Ontario, we know that there is no separation between politics and bargaining. In fact, right wing politicians like Stephen Harper, Dalton McGuinty and Rob Ford have been proving this very fact in recent years, legislating workers back to work, stripping workers of the right to strike and threatening massive cuts and privatization.

First introduced in October 2011 (Bill C-317), this bill arrived almost unnoticed except by a small, right wing fringe group - the Canadian Centre for Policy Studies (CCPS) - who issued a laudatory press release within hours of the bill being tabled. It's also noteworthy that in addition to being anti-union advocates, the CCPS website features links to some of Canada's most aggressive anti-abortion advocacy groups. Coincidentally, (or not) on July 17, 2012 an editorial in the Windsor Star used this same issue of curtailing the right of unions to spend money on issue campaigns, as a spring board to call for Canada to de-list women's health care services such as abortion altogether from universal health coverage.

In Ontario, the Progressive Conservative Party led by Tim Hudak are also becoming very vocal advocates on this same issue, singling out unions like CUPE for spending money on issue campaigns like banning bottled water or supporting the Quebec student movement.

## **Why are right wing political parties, think tanks and anti-abortion advocates all lining up against free speech by unions?**

If Bill C-377 passed, it is likely that anti-union opponents will use this public reporting to set the table for a second campaign for legislation to stop all unions from organizing issue campaigns, or even buying newspaper ads on topics like CETA, expanding the CPP, protecting Medicare or respecting a woman's right to choose. This is the real reason these different groups are lining up to support Bill C-377.

For Stephen Harper there is another pressing consideration. In May 2011 millions of Canadians, including many union members, voted NDP and the Harper government already has its eye on 2015 and the next federal election. C-377 is designed to pave the way toward unions being prevented, by law, from encouraging their members to vote NDP.

That's why we say the problem with Bill C-377 is not that it requires unions to post financial information. The real problem is the legal requirement to falsely characterize union spending on campaigns and political action as unrelated to collective bargaining and worker's rights in the workplace.

This twisted categorizing of union spending is designed to set the table for a campaign to redefine the Rand formula (a traditional legal standard in Canada that protects against free riders by requiring that all workers who get the benefits of union negotiated wages and working conditions must pay dues to support the cost of negotiating those gains) such that it does not allow dues deductions for any purpose outside the narrowest definition of collective bargaining and labour relations.

## **Unions Democratically Deal with Finances**

Union finances are not some closely guarded secret. The truth is that unions like CUPE publish their annual budgets and let members make their policy and political decisions democratically at Convention and at local membership meetings. Anyone who has ever been to a CUPE Ontario convention knows that members debate and vote on yearly budgets and audited financial statements, as well as reports from democratically elected member trustees who examine CUPE Ontario's finances. There are no secrets

## **What Happens Now with Bill C-377**

At the Second Reading vote last March, the vote was 154 for Bill C-377 and 127 against. The NDP, Liberals, Bloc and Green Party Members of Parliament (MPs) all voted no, but most Conservatives voted yes. Next time, equipped with a better understanding of what this Bill is really about, and who is really behind it, we hope that many more Conservative MPs will vote no, or even abstain. But for that to happen, it is paramount that the government refrain from whipping the vote on C-377 and to allow all MP's to vote their conscience.

CUPE is asking all MPs to vote No on C-377, not because we are afraid of reporting our finances, but because we owe it to our members to protect their unions' ability to exercise free speech and participate in the political arena.

And it's not just unions that are calling this an attack on Free Speech. One of Canada's best known and most respected politicians, Ed Broadbent, recently said "the kinds of changes found in Bill C-377 and Tim Hudak's White Paper are about limiting the impact of unions outside the workplace and restricting free speech."

(<http://www.ipolitics.ca/2012/07/12/ed-broadbent-unions-equality-and-democracy-labour/> )

We believe that Prime Minister Harper should publicly distance himself and his government from an extremist and un-Canadian law that diminishes our right to free speech and Conservatives should disassociate themselves from the obscure rightwing fringe group that is promoting it.

This is not an argument about posting financial information, it is about freedom of speech and the right of organizations to speak out and organize on issues that affect their members.