



Dear Senator,

I am writing to you as a member of the Association of Justice Counsel, the sole bargaining agent for the 2700 lawyers employed in the federal public service.

As a member of the Senate, you will be asked to reconsider and vote on Bill C-377, *An Act to amend the Income Tax Act (requirements for labour organizations)*.

This Bill is of considerable concern to me, as a member of the AJC. C-377 also presents potentially costly risks to the government and taxpayers. According to expert testimony from the Canadian Bar Association, the Privacy Commissioner of Canada, various provincial governments and many others, it could be unconstitutional and may be in violation of various provincial and federal privacy legislations. Ultimately, Bill C-377 is likely to expose the government to numerous legal challenges, thereby costing taxpayers more.

Experts agree there is no way to forecast the potential costs entailed in the legislation. The Canada Revenue Agency (CRA), charged with implementing C-377, has produced reports with costs ranging from the millions to tens of millions of dollars. The Parliamentary Budget Officer says C-377 is so nebulous that the costs cannot be guessed at this time, although he contends that the CRA has seriously underestimated the costs.

Bill C-377 singles out labour organizations and requires them to publicly disclose their financial activities at a level of exacting details not demanded of any other similar organization or the employers with whom they negotiate. Unions are already legally required to provide financial reports to their members federally and in the majority of provinces.

Bill C-377 would:

- **Force unions, big or small, to publicly disclose details of their spending (unions are already required by law to provide financial reports to their members).**
- **Require unions to publicly disclose any spending of \$5,000 or more and any salary of more than \$100,000.**
- **Force unions to publicize confidential information, such as legal fees spent on key litigation files.**
- **Increase union's operating costs by requiring them to comply with additional and more burdensome reporting requirements.**
- **Impose significant costs to the government because the Canada Revenue Agency would have to devote resources to monitor, audit and enforce the new regulations under C-377.**

On November 4, 2014, during a Senate debate, Senator James Cowan, summarized many people's concerns about C-377 when he said the following:

'Let's be clear, colleagues. Bill C-377 is not really about who must account for a taxpayer-subsidized benefit. Bill C-377 is an anti-union bill. It is designed to bury labour unions in so much paperwork that they will not be able to represent their workers as fully and capably as they do now. Why labour unions? The conclusion being reached by many Canadians is that it is because unions have been less than enthusiastic about how this government has handled labour relations. Bill C-377 is really a message to Canadians that it is no longer safe to disagree with the Government of Canada. It's a message that if you disagree, then the heavy arm of the law can and will be brought down upon you. The bill uses the Income Tax Act, but no one should be, and frankly no one is deceived by that.'

Furthermore, the author of the Bill, MP Russ Hiebert, has publicly admitted that he has not received a single complaint from a union member that she or he could not get financial information from their union. In 2011, a total of six complaints were filed with labour boards across the country, all of which were resolved; six complaints out of 4.2 million union members throughout Canada.

In the interest of workers and Canadians as a whole, this Bill should not proceed. I ask you to vote against it.

Thank you for considering my concerns. I look forward to your reply.

Sincerely,

A member of the AJC

The Association of Justice Counsel is the exclusive bargaining agent for approximately 2,700 lawyers employed by the government of Canada (Federal Crown Counsel), who work for the Department of Justice (DOJ), the Public Prosecution Service of Canada (PPSC), and provide in-house legal services to various federal agencies, tribunals and courts across the country.

Cc: admin@ajc-ajj.com
