



# International Brotherhood of Electrical Workers Vancouver Island

Quarterly Newsletter      Since 1902

## Bill C-377: An Attack on Working Families

The Federal Conservatives have done it again, they have voted on mass to pass 1st and 2nd reading of Bill 377. Bill C-377 is an attack on unions and their members. This private member's bill was introduced by BC MP Russ Hiebert (South Surrey-White Rock-Cloverdale). The purpose of the Bill is to force onerous reporting requirements for all unions so that his friends and financial backers like the anti-union Merit Shop Contractors can keep tabs on what unions are doing.

Bill C-377 is an amendment to the Income Tax Act which will require all unions in Canada to report all of their activity to the Canadian Revenue Agency (CRA). Industry experts say this will result in an additional 20% of administrative costs to the unions and all of its entities. So our Health and Welfare, Training Trusts, Group RRSP's and Pensions will all take on additional similar administrative costs as well. If passed, they will all cost more and/or you will get less, and this is part of the Bill's ingenious design.

The second side of the strategy is; that this information is then going to go up on the CRA website for the entire world's population to see. Not only will the unions financial statements be open to the public, items like our strike fund, but if you are injured and require a wheelchair from our Health & Welfare Fund for example, that information will go on the CRA website as well; Who you are, where you live, how much your wheelchair cost, and why you need it. All because you belong to a union and your union benefits have paid for your wheelchair. You have to ask yourself why they want this information and how does it benefit them? First, we have to revisit who are really asking for the information in the first place, Russ

Hiebert and his backers the Merit Shop of Canada. Who is Canada's Merit Shop? They say they are the voice of Canada's "Open Shop Construction Contractors" which translates to "non-union". Their current President, Terrence Oakley used to work for none other than (you may have guessed it); he spent a number of years as a Conservative staffer to a number of members of parliament and senators and worked in the Conservative party's national office in Ottawa in various capacities!! The Merit Shop openly backs Bill C-377. So what information are they looking for? Likely to build a data base to look for weaknesses, and concentrate on them. The real information they want is about our Market Recovery Fund (and every other construction unions market recovery fund), how we use it, how often we use it, and how do we target the work. Why do they want it? Because it has become one of the best strategic tools we have created to compete against the non-union construction companies, the Merit Shop. They want this information so bad they have put on TV Commercials to convince MP's it's what's needed. The Merit Shop says our information should be made public because we receive billions of dollars in tax subsidies. That's false, our members receive a tax deduction, and unions do not.

Unions don't pay income tax, because they aren't profit-making entities (and are treated just like any other non-profit organizations). Union dues are tax-deductible for individual union members, on the reasonable assumption that you pay union dues in order to get higher wages; when you spend money to make money, you always get to deduct what you spent when you pay tax on what you make.

## Spring 2012

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[www.ibew230.org](http://www.ibew230.org)

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#### News/Notes:

**For those Local 230 members working in construction, private shipbuilding and motor winding fields, please note the Dental subsidy has gone from 75% to 90% of your billing for all regular dental visits, as of July 1, 2012.**



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# Business Manager's Report



Philip M. Venoit  
Business Manager/Financial Secretary

I try to stay neutral of Partisan Politics, but now and again a political party does something so off-side and offensive to the well being of the union movement and our membership, I find myself compelled to point it out, and inform you so we can collectively call them up on the carpet. Similar pieces of Legislation to Bill 3-77 have occurred in recent history both were planned

and strategically executed obvious attacks on unions by the George W. Bush Republicans (which is where the Merit Shop Contractors are from), and Russia's Vladimir Putin who attacked civil liberty groups in the same fashion of over-the-top financial reporting requirements. He drove many of them into non-existence and others underground. Both of these examples were much friendlier or gentle versions than what federal Conservative Russ Hiebert has presented. The only glaring comparable example of what Mr.

Hiebert is actually proposing came from Europe some 80 years ago.

*"We must close union offices, confiscate their money and put their leaders in prison. We must reduce workers salaries and take away their right to strike" — Adolf Hitler; May 2, 1933.*

Bill C-377 doesn't contemplate "confiscating our money" what it does is tells us how we are going to use up our money, essentially they are legislating the strategic bankruptcy of unions, they want to financially tie our hands so we become an ineffective tool against anti-worker governments and anti-union employers, and C-377 is a home run to that effect.

Over the past 16 years working in our Local Union business office I have never seen anything this insidious, motivated to kill unions in this Country.

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Included with this Newsletter is a Mark's Work Wearhouse renewal card for your work needs, and we have also entered into an agreement with The MacIsaac Group of Law Firms in the unfortunate event you get into a auto accident, offering a 20% reduction in their legal fees, they have offices located throughout the Island and are recognized as a strong advocate in the personal injury field.

## Bill C-377: An Attack on Working Families (Continued...)

(That's equally true for businesses, financial investors, and other tax entities.) Tax payments by union members are still higher, because their wages (even after union dues) are higher. There's no credible way in which Mr. Hiebert can reasonably claim that unions are significantly subsidized by Canadian governments or taxpayers.

It's important to note the Federal Liberals, the NDP, the Bloc, and even the Green voted unanimously against Bill C-377, as they believed it was over-reaching, discriminatory, invasive and un-constitutional. It is also important to note that many federal Conservatives behind closed doors do not want to support the Bill either as they see it unnecessary, punitive, and supportive of big government as it will require millions of administrative hours performed by government to oversee all of the financial transactions by the 27,000 local unions in Canada (This does not include the union pension funds, health and welfare funds and training funds, which fall squarely under the Bill as

well.), and big government is not typically a concept supported by the Conservative Party.

### So what can you do as a Local 230 member?

Go onto the website **Workersbuild Canada.ca** and send your MP a letter. It takes less than 5 minutes and your personal and financial future depend on it.

Please send all three forms of correspondence shown; Mail, email, and fax.

**TAKE ACTION**  
**WORKERSBUILD CANADA.ca**

CANADA'S  
BUILDING TRADES UNIONS  
*Value on Display. Every Day.*

**SEND A MESSAGE TO YOUR MEMBER OF PARLIAMENT**

# **Bill C-38 Special, Un-holstered and Fully Loaded**

Stephen Harper's Federal Conservative's kitchen sink approach found in Bill C-38 is occurring way too often in politics today. When governments throw in several unrelated items into one bill as their fix-all they put every politician and party into a compromising position of weighing the benefits with a bill against the negative aspects. Bill C-38 which the Federal Conservatives have called the Jobs, Growth and Long-term Prosperity Act goes way beyond tax and monetary measures. This Act amends over 70 pieces of legislation, including the environment, fisheries, a raise for the Governor General, a new cross-border law, phases out the penny, discontinues Social Insurance Cards, makes changes to CSIS (Canada's Spy Agency), Natural Resources, and Human Resources (always hated this term, it's as if we can be plucked out of trees). It seeks to amend or create dozens of different laws, while repealing others entirely and as a result has been called an "Omnibus Bill". In my mind the Bill should be called an Under-the-Bus Bill as that is where it will leave many working Canadians.

Governments have to return to introducing Bills that are confined to one item or issue which would limit the debate to the merits of an issue, putting an end to endless compromises between one political party and another, and allow citizens to become informed and engaged in the subject matter and by association politics itself. The days of wrapping up anti-Canadian changes that would never pass, and tying them to necessary but unrelated items or issues must come to an end. Although there is much socially to be upset about in this "Under-the-Bus Bill" I will leave that reading up to you, and will simply concentrate on the changes that will impact our everyday working lives.

**Bill C-38 repealed the Federal Fair Wages and Hours of Work Act** - This Act was in place for 80 years and applied to all federal construction work over a quarter million dollars, (so most of it). Every few years the government would assess wages for each trade in construction in an area, calculate an average and apply a minimum wage to it, then ALL workers in that trade would have to be paid that minimum wage for federal construction works. On Vancouver

Island that was \$26.15. Now, you may think that is too low and it wouldn't affect you but, today the minimum wage to pay a non-union electrician on all federal works on Vancouver Island is \$00.00. Our competitive gap or difference between the Union and non-union worker has moved from; say 20% of our wages and benefits to 100%, who lobbied the Conservatives for this change? The Merit Shop did, and who belongs to the Merit Shop on Vancouver Island? Non-union contractors like Henneberry Electric. Clearly the value they believe a Red Seal ticketed Electrician is worth much less than \$26.15 an hour. This will likely effect how successful Union construction contractors are at bidding federal construction work and therefore, how successful we are at working on the job as a Union construction electrician.

**Old(er) Age Security** - The age of eligibility for Old Age Security will rise gradually to 67 from 65 starting in 2023, and there is a somewhat complicated chart which shows how that change will be phased in. This means all workers will have to work a little longer before they can likely actually retire. (Although not part of C-38 but I believe based on how readily these changes are accepted by the general population be prepared for similar changes to the Canadian Pension Plan and General Income Security as well, you have to ask yourself why would you change one and not the other two forms of government provided retirement incomes).

**Lower Paid Temporary Foreign Workers** - Prior to C-38 employers utilizing the Program (mostly Agriculture & Construction) would have to pay the same rates to foreign workers as their own workers, now these same employers that say there are no Canadians willing or capable of working for them can bring in temporary foreign workers for 15% less than their own workforce. So our non-union competition who pay \$25.00 an hour can now pay a trained workforce from another country \$21.25. This will only serve to suppress workers wages in the industry they are bringing in these workers to perform work a Canadian can perform.

**Employment Insurance** - This is a big and complicated item, however I want to begin by saying the (Un)employment Insurance program was originally set up to protect workers who had lost their job due to no fault of their own, then during the recession in the 1980's it changed to include some retraining and upgrading, to allow workers better opportunities for employment. Then along came the 90's where the Federal Liberals dipped into it by the Billions to pay down the deficit, and more recently in the 2000's the Federal Conservatives dipped into it again to total \$54 Billion! This Fund/Program is paid for by workers and employers. It is not a tax; it is Canada's Indemnity Fund to protect workers from times of hardship due to job loss. It is paid by workers and employers for that purpose, NOT to bail out governments, or provide tax subsidies to oil companies and the like, to the point there is no monies left in the cookie jar to provide bare necessities for the same workers who paid into it in the first place.

**EI Appeals Process Changes** - Most decisions are guided by the Act and Regulations; there is long-standing jurisprudence that guides the Board of Referees, Umpires and the Federal Court of Appeal. C-38 does away with the first level of appeal, and amalgamates this service with the Canadian Pension Plan (CPP), Disability CPP & Old Age Security (OAS) Appeals. Essentially they are eliminating well over 1,000 trained professionals and replacing them with a new Social Security Tribunal made up of 74 people. These 74 people will be responsible in hearing roughly 30,000 appeals each year. This appears to be an absurd process which will likely result in a huge backlog of timely decisions. I am urging all members who are looking at appealing an EI claim in Conservative ridings to go directly to your Members of Parliament Constituency Offices requesting them to help you with the complicated and often unforgiving process in the appeals area.

**Long Tenured Workers/ Occasional Claimants & Frequent Claimants** - Long-tenured Workers will be required to accept

# **Bill C-38 Special, Un-holstered and Fully Loaded (Continued...)**

the same employment at 90% of the wages immediately upon being unemployed, and expand their job search after 18 weeks of collecting EI benefits and be prepared to accept 80% of their previous wages.

**Occasional Claimants** - (or those that claim once every five years or so) will also be required to accept 90% of their wages from their previous job upon immediately becoming unemployed, but only after 6 weeks they will be required to accept "similar employment" at 80% of their previous wages and after 18 weeks of unemployment they will be required to accept any work at 70% of their previous wages.

**Frequent Claimants** – having filed more than 3 claims and 60 weeks of benefits, or those in seasonal employment like construction will be required immediately to accept a similar job at 80% of their previous wages, and after only 6 weeks on employment insurance will be required to accept any work at 70% of their previous wages.

Never before since the inception of (Un)employment Insurance 74 years ago has there been an all out attack on the seasonal workforce in Canada. Forestry workers, Agricultural workers, Fishery workers, and others like local 230's membership, Construction and Shipyard workers. The federal Conservatives must have forgot we live in a geographically challenging country, a country where our forestry workers can't cut trees when the forest is covered in snow, or it's too hot which could end up burning the very forest they intend to harvest thereby putting themselves out of a job. They must have forgotten our fishery workers cannot can fish if they cannot catch the fish and fishers can't catch fish if the fish are out of season, agriculture workers can't pick an apple or grape if it's not on the tree or vine, and construction workers have a natural building season or cycle as well, along with the fact we need investors interested in building ships and buildings for us to go to work!! When Canada's seasonal workforce accounts for approximately

15% of Canada's workforce, or 3 million seasonal workers and currently there are only 450 thousand Canadians using Employment Insurance benefits, (and only 40% of the unemployed actually qualify for EI benefits) all you have to do is crunch the numbers to see these changes were NOT necessary at all, that this is another attack against blue collar Canadians by politicians that don't give a flying kite about workers and certainly not workers who depend on employment insurance due only to the fact they have worked themselves out of a job, or the snow is falling!!.

**Job Search requirements or Availability –** EI Claimants will be expected to be looking for work everyday they receive benefits and will be required to keep a record of your job search. With this change I am reminding every member who is actively looking for work in the construction sector and finds work non-union you are required to fill out a Union 'salting form'.

Finally, the Federal Conservatives have NOT dedicated any new resources to support skills training for unemployed workers, job search counseling or Appeals Advocacy work to help workers with their benefit claims.

## **Proposed EI changes**

**Work that claimants would be required to seek and accept**

### **LONG-TENURED WORKERS**

Same OCCUPATION 90% OF PREVIOUS EARNINGS	Similar OCCUPATION 80% OF PREVIOUS EARNINGS
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### **OCCASIONAL CLAIMANTS**

Same OCCUPATION 90% OF PREVIOUS EARNINGS	Similar OCCUPATION 80% OF PREVIOUS EARNINGS	Any WORK 70% OF PREVIOUS EARNINGS
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### **FREQUENT CLAIMANTS**

Similar OCCUPATION 80% OF PREVIOUS EARNINGS	Any WORK 70% OF PREVIOUS EARNINGS
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**EI CLAIM DURATION (WEEKS)**

INCLUDING WAITING PERIOD