

Summary application tossed — trial date set International Pension case dismissed

BC Carpenters have won another face-off with the International in court. The UBCJA initially charged that seven Locals and three District Councils owe more than three decades of contributions to the International Officers Pension Plan. General President McCarron asked the judge to order us to start paying into his plan immediately and order a trial later to determine how much backpay and interest was owing.

In his decision dismissing the International's application for a summary judgement and setting a trial date for January, 2004, Justice D.A. Halfyard noted that "only two Locals and one District Council have remitted monthly contributions to the International Plan for many years." Halfyard also awarded the BC Carpenters their court costs against the International.

In its court action launched last year, the

UBCJA Pension Trustees, based in Oklahoma, declared that the BC Locals and Councils owed more than 30 years worth of pension contributions for their paid officers. Claiming that the local bodies should have been contributing 13 per cent of wages towards the International Officers' Pension Plan held and administered in the United States, the International charged them with an obligation to pay "All unpaid contributions that have accumulated from January 1, 1967, to the (present date) and all contributions payable in the future." In its initial application, the International was seeking to get a summary judgement on future contributions (and presumably an order to pay) and a trial date to deal with the missed past contributions and damages for interest accrued. Near the end of the hearing — at the "eleventh hour," according to Justice

SEE: MORE LUCRATIVE PAGE 2

PENSION NEWS

Carpentry Workers Pension and Benefit Plan information on pages 4-5 includes an explanation of Defined Benefit vs Defined Contribution pension plans and a brief overview of Benefit Plan changes announced recently.

Details of changes to the Carpentry Workers Pension Plan will be mailed to members on April 7, 2003 and statements showing the new pension amounts will be mailed to those receiving pension on April 14, 2003.

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ON THE LEVEL



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McCarron did not act in good faith, says judge

BC Carpenters win two major court decisions

BC Carpenters rejoiced last week when Madame Justice Brenda Brown of the BC Supreme Court found for democracy and tossed out the case brought by General President Douglas McCarron and four of his henchmen against the BC Provincial Council of Carpenters. McCarron was looking to get enforcement of his order to produce the council books and records for "examination" by an outside auditing firm (KPMG).

Dismissing the International's case, Justice Brown concluded McCarron was not acting in good faith and that he issued the order "to obtain a political advantage in the ongoing political skirmishing between the International and the Provincial Council. This is not a proper contractual purpose (of the International Constitution)," she stated.

This victory added to the euphoria that came previously from winning a decision from Justice D.A. Halfyard dismissing the International's claim for a summary judgement against a large group of BC Locals and Councils for not participating in the International Officers' Pension Plan. (See SUMMARY page 1 above).

BC Carpenters have been involved in a long running dispute with their international parent to achieve autonomy and democratic control of their own organization. Since 1996, the International has been restructuring the North American Carpenters Union into McCarron's personal vision of a top-down, business style organization—a vision actively resisted by the British Columbia Carpenter membership.

Justice Brown characterized McCarron's restructuring as "dictated by the general president. It is not designed or driven

by individual members, locals, provincial or state councils. It is imposed 'from above.'"

She said, "These changes involved, among other things, forced mergers of locals without a vote of affected members, the transfer of power and bargaining rights from the Provincial Council to more than one newly-established Regional Council and the replacement of elected officers and delegates of the Provincial Council with officers and delegates to be appointed by General President McCarron or his appointee."

She went on to claim, "The majority of the membership in British Columbia has been and continues to be adamantly opposed to McCarron's plans for restructuring."

The case, which was tried last fall, stems from a demand by the United Brotherhood of Carpenters and Joiners International General President Douglas McCarron to send a team of auditors, pursuant to Section 10B of the UBCJA Constitution, to "take possession for examination all books, papers and other records, including all financial records of the Provincial Council."

The demand, dated June 9, 2000, went on to detail a two-page list of information to be provided, most of which is available in the convention reports published annually, according to Provincial Council Secretary-treasurer David Flynn.

A number of Local Unions received similar letters within a span of several days.

The BC Council refused permission for KPMG to scour the books "looking for excuses to put the council under trusteeship," as BC President Len Embree said at the time.

McCarron, in his 10B order,

suggested he was concerned about resolutions at the April 2000 Provincial Convention that gave him the impression BC Carpenters were about to split from the International.

He also added he was concerned about the finances of the BC Provincial Council and G.R.&S, Holdings, the holding company that the Provincial Council has used to hold and administer its assets since 1970.

Madam Justice Brown said she did "not accept" McCarron's explanation for issuing the 10B directive. At McCarron's suggestion that he feared the Council intended to abscond with the assets of the organization similarly to what happened in Prince Edward Island, she said, "I do not accept that the circumstances here are akin to those. Nor do I accept that Mr. McCarron or the

other plaintiffs believed them to be so."

When the International forcibly took over the Prince Edward Island local in 1997, certain members of the executive set up a competing local union and transferred the assets of the local to a new holding company for the new union. The International successfully sued to recover the assets.

When asked why the Provincial Council was opposed to granting the International access to the books, Flynn said he is suspicious about McCarron's motives. "I believe that this directive is the first step towards the International moving to put the Provincial Council under trusteeship," he said.

In his testimony, McCarron said, "I wanted to protect the assets of the United Brotherhood,

and I read some resolutions that were passed at the Provincial Council convention that called for — called for taking all reference to the United Brotherhood out of their constitution, it called for not allowing representatives of the United Brotherhood to attend the convention, and it also called for doing away with the per capita tax and I believe putting like a 25 cent — what they call franchise fee in there, and, in fact, they did stop representatives of the Brotherhood from going to the convention. And that was just unprecedented, and I wanted to act to secure the assets of the United Brotherhood, and that's what — you know, I wanted to hire a good international accounting firm, KPMG, to go in there and give me where — where the assets

See *Surr* page 2



Carpenter crew places tilt-up wall for one of two buildings at the Vancouver City Works yard on Chess St. Smith Bros. Wilson superintendent Jim Morrison said there were only three typical panels in the entire job as the rest are one-off. "It's the first time we've ever done embossed panels," he said.

In memory

Carpenter, labour leader, activist passes

John Schibli was not a tall man but he was a giant in the Victoria Labour movement. His deeds and accomplishments raised the standard of living for many—a satisfying achievement for this carpenter, labour leader and activist.

John immigrated to British Columbia from Switzerland at the age of eighteen. His family settled in Smithers and after briefly working on the family farm, John worked underground in mines and later took up the trade of carpentry.

Last year marked John's 60th year as a BC Carpenters Union member, having joined Local 1735 Prince Rupert, in 1942. In 1944 he married Ida, his wife of 58 years. John worked on the construction of the aluminum smelter in Kitimat when Local 1081 Kitimat was formed in 1956. He was elected as a Local 1081 delegate to the 1957 BC Provincial Council of Carpenters Convention in Nanaimo.



John Schibli
1918-2003

John, Ida and family moved to Victoria in 1962 and John's interest in the Union and his desire to elevate conditions for working people motivated him to be active in the affairs of Local 1598 Victoria. He was elected Business Agent and Local President in 1965. He continued in the position of President uninterrupted for eighteen years.

A tireless fighter for Canadian autonomy for Carpenters, John wrote several resolutions to BC Provincial Council conventions demanding negotiations for "Complete autonomy for the Canadian section of our Brotherhood" and "The retention in Canada of all Brotherhood funds paid by Canadian members." John served as the Vice-President representing Vancouver Island to several provincial conventions.

John didn't limit his Union activities to the Carpenters Union. He served as full-time Secretary Treasurer for the Vancouver Island Building and Construction Trades Council from 1968 until his retirement in 1983.

John became a delegate to the Victoria Labour Council in 1963 and he served on the executive for sixteen years in various capacities including being elected President in 1975. John stepped down at the V.L.C. annual meeting January 21, 1981. He was also active in the Victoria Metal Trades Council plus a host of other union organizations.

In 1977, along with Jack Groves of the IWA, John Shields of the B.C.G.E.U. and former NDP MP John Brewin, John Schibli started the Co-op Housing movement in Victoria through the Victoria Innovative Housing Society. He recognized the need to be involved in politics and was not afraid to tackle issues in that forum.

After retirement in 1983, he was appointed to the Employment Insurance Board of Referees where he continued his passion of ensuring working people received their right to due process and the benefits due to them until his recent passing.

As a founding member of the Carpenters Retirees Club, he served as President since its inception in 1986. John penned the Retirees newsletter "Sawhorse Review" under the nom de plume "Jack Plane". He just kept on communicating.

ON THE LEVEL

Is dedicated to representing Carpenters Union members' views and news and reporting on social issues of interest to working people in British Columbia.

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Suit is a political battle

'No real concern for protection of assets'

Cont'd from page 1

and the records of the Brotherhood were right at that time. I wanted to know where they were so I could protect those assets."

When asked in court if he had examined the audited financial statements of the BC Provincial Council and G.R. & S. Holdings Ltd., he had to admit he had not. Nor had he instructed anyone else to brief him on the finances of the Council since the 10B order was given, over two years previously.

In her decision Justice Brown said, "I do not accept that the 10B directive was issued to obtain an accurate inventory of the assets of the Brotherhood in British Columbia." She said, "I do not accept that the 10B directive was issued from a concern that the Provincial Council would disassociate from the International and illicitly make off with assets."

She went on to explain that with all the internal financial statements available and the fact that two of the plaintiffs (Wayne Cox and Michael Autzen) had full access to any financial records they wished at all times yet asked for nothing, indicated there was no "real concern with respect to an inventory of the assets."

During the trial, McCarron complained about the reception

he got from members in British Columbia. Parts of the video of the Port Alberni meeting were entered as evidence at the trial by the International's lawyers.

He described his 1999 tour of Vancouver Island, saying: "The first meeting we went to (on Vancouver Island) was Port Alberni and it wasn't a very — it wasn't a good meeting. There was a lot of people there from the Mainland. I was treated with a lot of hostility, and I was asked two questions and couldn't get a dialogue going. I recall the two questions were whether they could vote on restructuring and whether they could vote on the executive of the council prior to it being formed, I believe. And I answered no to both of those, and they walked out of the room and turned off the lights."

That same summer, McCarron attempted to forcibly merge some members of Dawson Creek Local 1237 into Fort St. John Local 2397 even though the members had voted to join the Prince George Local 1998. He lost that case at the Labour Board. In December, he tried to force some more local mergers on Vancouver Island while decreeing the establishment of a regional council with-

out a vote, a measure that was also stopped by the Labour Board.

In her conclusions, Madam Justice Brown outlined the International's case as being "simply, that the constitution is a contract the defendants must comply with. They say that the 10B directive is a legitimate exercise of the general president's discretion."

She described the BC Carpenter position as that the constitution must be exercised in good faith. "It cannot," she said, "be exercised for some private advantage or purpose foreign to the power."

She said, "I have concluded that this is a political battle which has made its way to the courts. The 10B directive was issued to obtain a political advantage in the ongoing International/Provincial Council battle and not for the purposes intended by the contract. Accordingly, I will not order production of the books and records as sought by the plaintiffs."

The judge, citing the political nature of the case, also dismissed the Council's counter claim for damages against the International. "If necessary," she wrote, "the parties may make further submissions as to costs."

More lucrative officers' pension 'morally wrong'

Cont'd from page 1

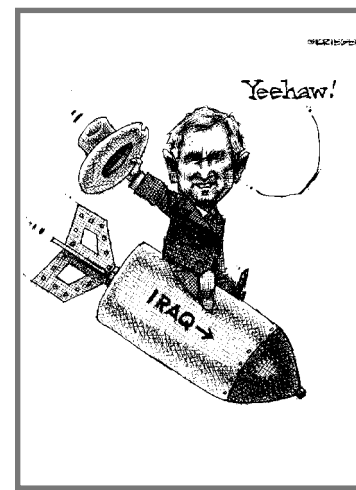
Halfyard, the International's lawyer offered to forgive and forget past contributions and just go forward with future payments.

Since about 1970 or so, most of the local unions and district councils in British Columbia have been remitting monthly pension contributions for their officers and representatives to the Carpentry Workers Pension Plan of BC, which was created for the benefit of working carpenters. According to Halfyard, "The defendants have never paid contributions to the International Plan in respect of their officers or representatives." The amount of contributions payable under the BC Plan is about half that of the International Plan.

The Locals claim they would have to stop paying into the BC Plan if ordered to buy into the International Plan. Some believe "it would be morally wrong for them to receive a more lucrative pension at the expense of the working carpenters whose earnings must pay for their contributions," said Halfyard.

Originally named in the action were Locals 1081, 1237, 1346, 1370, 1735, 2300 and 2511 of the United Brotherhood of Carpenters and Joiners of America, the Northwest, Central, and Kootenay District Councils of Carpenters along with 20 individuals who were subsequently dropped from the application.

Subsequent to Justice Halfyard's ruling, six more LocalUnions:1907, 1989, 1995, 1998, 2068 and 2736 as well as the Okanagan District Council and the BC Provincial Council were added to the claim. The new additions are not exempted from past contributions in the new claim.



Make the Internet connection

Internet news and views of interest to Carpenter Union members can be reached through the union friendly website run by Local 2300 member Dave Livingston at:
<http://www.carpentersunionbc.com>

Other sites of interest include:

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| BC Federation of Labour | www.bcfed.com |
| CLC home page | www.clc-ctc.ca |
| Canadian Autoworkers | www.caw.ca/index.asp |
| CUPE BC | www.cupe.bc.ca |
| Labour Start (labour news) | www.labourstart.org/canada/ |
| Straight Goods (news) | www.straightgoods.com/ |
| Working TV | www.workingtv.com/index.html |
| Carpentry Workers Plans: | www.cwbp.ca/index.shtml |
| David Shreck (analysis) | www.StrategicThoughts.com/ |



CATC/CLJAAC report**Apprenticeship forums a farce**

By Bob Whitaker, CATC co-ordinator

The Provincial Government recently scheduled a series of eight regional forums to seek public input on a new Industry Training Model. These so-called public forums were a farce; only a small group of selected employers were invited to review a new competency based training system. To date, the Ministry of Advanced Education (MAE) still does not know how or when this new training delivery system will be implemented.

In January, the Ministry sponsored a *Request for Information* meeting where they sought input from mainly employer associations and community college representatives on how they could accredit an agency to vali-

date work experience credentials and administer provincial and inter-provincial trade examinations. Many industry people are concerned about the security of the Inter-provincial exam and whether the MAE has the right to privatize something which the Federal Government's Human Resources Development Canada (HRDC) has total jurisdiction and control over.

The high-(or low)-lights of the New Industry Training Model are as follows:

1. Five of the remaining six Industry Training Apprenticeship Commission (ITAC) offices will be closed for business by March 28, 2003. The Vancouver-Metro ITAC office will be open until the New Industry Training Bill is

approved in the BC Legislature in the spring. Effective April 1, 2003, all new apprentices will have to register for Apprenticeship on-line on the MAE website. The MAE does not wish to be the third party to the Apprenticeship Agreement; only the apprentices and their employers may register for apprenticeship. The MAE does not know how to check and monitor whether an apprentice has a commitment or any relationship with a given employer.

2. The whole Trades Advisory structure was shut down in January 2002 ostensibly to be subsequently replaced with a Sectoral Advisory structure. Now, it seems that there will be no advisory structure.

3. The MAE is focused on a competency based training system opposed to the current time-spent apprenticeship structure. The MAE would like all or at



Bob Whitaker and Eddie White tend the Carpenter booth at combined High Schools Career Fair in New Westminster

least most of the training to be frontloaded before any on-the-job work experience. Competency based training has been proven to be ineffective wherever it's been tried.

4. The MAE will provide funding for pilot training programs to test alternate learning delivery systems, i.e. E-Learning and shorter specialized training programs. E-Learning training is very expensive to develop and maintain and doesn't fit many tradespeople's learning style. It is well-known

that tradespeople learn best by hands-on, practical skills training—not by sitting in front of a computer all day.

Clearly, the spokesperson of the Independent Businesses & Contractors Association, Phillip Hockstein, has Premier Gordon Campbell's ear. The ICBA's agenda for the New Industry Training Model will probably be ratified and become law in the upcoming sitting of the legislature despite industry's objections at the regional forums

Local courses succeed

As ITAC is winding down, Local 1995 and the CATC jointly sponsored a door hardware course and concrete stair course. Both courses were extremely successful, with the help of so many of our contractors.

Alfred Horie, The Vancouver School Board, Brightside, Smith Brothers & Wilson, provided hardware to put on the door course. Almar Distributors and Ingersoll Rand provided supplies. Thanks to Peter Wade for instructing this course. PCL helped greatly with the courses.

Gary Boutell from Ingersoll Rand gave a presentation on their hardware products. Boutell said that, as the number of trained installers is limited in the Province, further instruction in hardware installation would be beneficial to members. Hopefully, as the training program progresses, we may be able to provide certification with respect to hardware installation.

Locksmith Lorne Flood and carpenter Aubrey Hawco from the Vancouver School Board did a presentation on mortise locks and lock cylinders. When Brother Flood opened up a lock and dumped the twenty pieces all over the table, a lot of the attendees knew they were going to benefit by attending the course.

Eddie White, Local 1995 Dispatcher and course organizer thanks all the people and companies who assisted or donated material; "Without their help we wouldn't have been able to get these courses going," he said.

Local 1995 has over \$7,000 in donated door hardware on hand and can put on this course anytime, says White.

Workers not paid on federal job

By John Knox BURNABY NOW REPORTER — reprinted by permission from the Burnaby Now

The BC Carpenters Union is waging war against the federal government to recover thousands of dollars owed to local construction workers from a building project on Crown land in Burnaby.

Jan Noster, organizer for the BC Carpenters Union local 1995, said the Abbotsford-based Investment Builders Ltd. was hired in October 2002 to work on the new \$6.5-million Nokia building, currently under construction at the Glenlyon business park in south Burnaby.

The project is being managed by the Canada Lands Corporation, Noster said, a federal Crown corporation that purchases, develops and sells property on behalf of the government.

But Noster alleges that Investment Builders stiffed 14 workers for a week's worth of wages amounting to roughly \$14,000.

What's worse, Noster said, is that when the union filed a lien against the project to recover the unpaid wages, the federal government dodged the claim on the grounds that it is exempt from provincial liens legislation and has threatened legal action if the union persists.

"We understand that it is irrelevant to your clients that the claim of lien is invalid, and that they hope to use it to extract from our client money to which they are not entitled," said Canada Lands lawyer Don Thompson in a letter to the union's legal counsel.

"We confirm our previous advice to you that we will be asking the court to order that your clients pay all costs incurred as a result of the filing of the claim of lien and their refusal to remove it. Those costs will include the actual legal costs on a special costs basis of obtaining the order in question, as well as other costs resulting from the claim of lien."

Not to be dissuaded, the union then attempted to file a grievance under the Fair Wages and Hours Act, but Canada Lands says the Nokia project is not subject to that particular legislation either.

The bottom line? The workers will not be paid any time soon. "This is absolutely unacceptable," Noster said. "What kind of deal is this? If we were up against a private contractor, this wouldn't even be an issue."

"What this attitude says is that workers have no protection when they're hired on projects on federal land.

"They just don't have to pay you, and there's nothing you can do about it."

This is not the first time the

union has had a run-in with Investment Builders, either.

In 2000, Noster says, the same company filed for bankruptcy during the construction of Castle Park elementary school in Port Coquitlam, leaving 11 workers without two weeks' pay - a shortfall estimated at about \$24,000.

"These guys owe us a lot of money, and I'm shocked that the federal government would hire a company which has recently declared bankruptcy in the middle of a project," Noster said.

"The Canada Lands Corporation is supposed to be protecting our interests and acting on our behalf as tax payers, but in reality I think they have better screening at Toys 'R' Us. The public and the workers deserve much better."

To date, the union has been able to recover just 17 cents on the dollar from Investment Builders and its CEO Brian Clayton for the Castle Park project.

In the meantime, Investment Builders was hit with a lawsuit by Canada Scaffold Supply Co. for \$40,835. The details of that case were not known at press time.

"There appears to be a definite pattern here - they start the job, they take it to a certain point and then they file for bankruptcy before the workers get paid," Noster said.

Investment Builders owner Brian Clayton was reached at his home but had very little to say in response to Noster's allegations of unpaid wages and multiple bankruptcies.

"The Burnaby project is the only project, and as a result of it, I am bankrupt," Clayton said.

"That's all I'm going to say about that."

Clayton declined to answer any further questions.

Carpenters School Board Local Unions**School Board Report**

Events have been unfolding quickly in the School Board sector. The deep cuts in education brought on by the provincial Liberal government threatens the viability of public education. The British Columbia Teachers Federation held a one-day conference in late January titled "Before it's too late." All the unions in the education sector were invited. The Conference noted the devastating impact upon public education created by the Liberal government but offered no real unifying strategy to combat the education cuts. To be fair, it would have been unlikely to achieve such a strategy in a one-day conference.

In the meantime, the support staff unions are moving towards June 30, 2003. On that date over 90 per cent of the collective agreements in the education support staff sector expire. Among the Carpenter School Board local unions, three expire on that date; Locals 2423 (Fraser-Cascade-Hope), 2545 (Quesnel), and 1237 (Dawson Creek).

Local 2545 is the most recent Carpenter Local Union to join the June 30, 2003 expiry club. Their previous agreement expired in March 2002. Last month that Local Union finally nego-

tiated a rollover deal with a three per cent increase in wages and the new expiry date of June 30, 2003.

In addition Locals 1237 and 2423 have "me too" clauses in their agreements. These are the same clauses negotiated by the Canadian Union of Public Employees (CUPE) to obtain another increase in wages if another sector of the Public Sector negotiates a superior wage settlement. The Ready-Holden Industrial Inquiry Commission rendered a decision on January 9, 2003 that decided on a two per cent increase in wages for the "me too" clauses in the education support staff sector. Local 2423 is receiving this "me too" increase. Local 1237 is meeting with the employer to resolve this matter.

The recent cuts have been so severe that the Provincial government first released \$55 million in additional funds to the School District followed by another \$100 million over the next three years. This has softened the cuts slightly but the system is still in peril because of these cuts.

Pension types compared

Defined Benefit vs Defined Contribution pension plans

The BC Carpenters annual convention in April 2002, asked the Pension Plan Trustees to research the differences between defined benefit and defined contribution pension plans. This is a summary of these two types of plans — how they each work and how they are different. It also explains how the Carpentry Workers Pension Plan of BC fits into the picture.

Defined Benefit Plans

With defined benefit plans it is the pension *benefit* that the Plan rules spell out. They provide a pension based on a set formula. For example, the pension for each year of participation could be a fixed amount (e.g. \$50 per month) or it could be a fixed percentage of the member's earnings in that year (e.g. one per cent of earnings). When members retire, their pension is calculated by using the formula for each period of participation (e.g. each Plan Year) and then adding up the pension earned in each period. In some cases, the same pension formula applies to all periods. Or the formula may be different, such as \$50 per month for each year up to January 1990, and \$75 per month for each year after that. (All figures are for illustration only, they do not refer to any actual situation)

Benefit is reasonably predictable

With defined benefit plans, members know how much pension they have already earned. They can estimate what they will earn in the future. The amount of pension the member can expect at retirement is reasonably predictable.

The amount of contributions needed to fund the benefits provided by defined benefit plans depends on many things. The rate of investment return earned on the plan assets, the ages at which members choose to retire, and how long the retired members live after they retire are all important. The required contributions can only be estimated based on expert assumptions regarding these factors. Pension legislation requires that these estimates be re-determined by the Plan's actuary at least once every three years.

Legislation determines rate

Funding for a single-employer defined benefit plan is very different than for the CWPP, which is a multi-employer plan. With the former, if plan costs are higher than expected or if the plan's investment return is lower than expected, pension legislation requires the employer or plan sponsor to increase its contribution rate. On the other hand, if plan costs are lower than expected or investment performance is better than expected, the employer may be able to reduce or even suspend contributions.

Employer contributions paid into a defined benefit plan are not put into individual plan members' accounts. Although contributions are often made as a dollar amount for each hour worked or as a percentage of each working member's earnings, the contributions are pooled and combined with the existing plan assets.

Benefit costs averaged across membership

In short, with this type of plan it is the *benefit formula* that determines what your retirement income will be. Contributions are made based on the average cost of keeping that benefit promise to all members.

The contributions themselves are not part of an individual member's entitlement and aren't used in the retirement pension calculation.

Defined Contribution Plans

Defined contribution plans (sometimes also called "money-purchase" plans) work in exactly the opposite way. Defined benefit plans "define" the amount of benefit provided by the plan but the costs can only be estimated. Defined contribution plans "define" the contribution paid into the plan for each member; however, the amount of benefit isn't known until the member retires or otherwise leaves the plan.

Individual accounts

Under a defined contribution plan, an individual account is kept for each plan member, very like a bank account. Contributions, usually a dollar amount per hour or a percentage of pay, are credited to this account together with the investment income earned on the assets held in the account. When the member retires or otherwise leaves the plan, the account balance at that time is usually transferred to a personal retirement plan, such as a RRSP, or used to purchase a pension (often referred to as an "annuity").

Investment responsibility rests with member

Responsibility for investing the assets in the member's account usually lies with the member. Members are offered a choice of investment funds and can invest their assets in any combination of these funds. The fund choices would typically include guaranteed interest funds, fixed-income funds (bonds and mortgages), Canadian Equity funds and foreign (non-Canadian) equity funds. Individual members can select a combination of investment funds that suits their tolerance for investment risk.

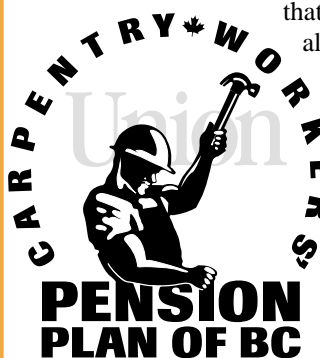
The balance in the member's account depends very heavily on how well the assets in the account are invested. For members covered by a defined contribution plan for their whole working career, investment earnings would be about 80 per cent of the account balance at retirement if the assets earn a reasonable investment return. If a member makes poor investment decisions, the account balance would be substantially smaller.

Interest rates are crucial

Another major factor affecting the amount of pension from a defined contribution plan is the cost of buying an annuity at the time of retirement. Annuities are purchased from insurance companies and the amount of pension purchased for a given account balance depends on the long-term interest rates in effect at the time of purchase. For example, suppose a member age 60 with a wife age 57 wishes to purchase a pension payable for his lifetime, with 60 per cent of that pension continuing to his spouse after his death. If the member's account balance is \$100,000, he could purchase a pension of approximately \$600 per month based on today's annuity purchase costs.

Current annuity prices are based on an interest rate of about 5.5 per cent per year. Interest rates are at historically low levels. This means that the amount of pension that can be purchased today is also very low. As recently as 1995, interest rates used to price annuities were 8.5 per cent per year. At that time, the member in the above example would have been able to purchase a pension of \$800 per month (33 per cent more than what is available today).

For a comparison see: [The Main Differences](#)



Carpentry Workers' P

What type of pension plan is the CWPP? In effect, it is a blend of both types. Some features of the CWPP are like a defined benefit plan and some are like a defined contribution plan.

Like a defined benefit plan, the benefits provided by the CWPP are determined using a set formula for each unit of pension credit. Currently,

CWPP vs. Defined —the main d

The rest of this article compares defined benefit plans and defined contribution plans and reviews

Impact of Financial Risks—CWPP

For members of the CWPP, the main financial risks are poor investment performance, a decline in long-term interest rates, and higher-than-expected benefit costs (e.g. more members retiring with subsidized early retirement pensions than expected). If these factors are negative enough and continue over time, the Plan's financial position can deteriorate to the point where the shortfall in the Plan's financial position can't be funded by future contributions. Since contributions are fixed, the funding shortfall can only be dealt with by reducing benefits. This is the situation that the Plan is currently facing.

When this happens, benefit reductions must be applied in an even-handed way to all membership groups (e.g. active members, retired members, etc.). That way, the impact of financial risks is shared among all members, although not necessarily evenly depending on how benefit reductions or improvements are applied to each membership group.

If benefits are reduced because of unfavorable financial experience, the benefit reductions may be at least partly restored under a defined benefit plan like the CWPP if the plan has positive financial experience in the future.

Impact of Financial Risks—Defined Contribution Plans

For members of defined contribution plans, the main financial risks are poor investment performance and a decline in long-term interest rates. Poor investment performance will cause the member's account balance to be lower than it would otherwise be and low interest rates will mean the member's account balance will not be able to buy as much pension.

Members retiring from defined contribution plans in recent times have been faced with both of these negative factors. Once an annuity has been purchased by the member's account, the member's pension is fixed and, unlike the CWPP, there is no chance to increase the pension if investment conditions later improve.

Also unlike the CWPP, negative financial risks impact each member of a defined contribution plan individually and are not shared with the membership as a whole. As a result, the level of pension provided from a defined contribution plan can vary hugely from one member to the next, even for members in the same circumstances, (e.g. same period of membership, same hours worked, and same retirement age) depending on the success or failure of their personal investment strategy and the level of interest rates at the time they retired. According to a recent study based on U.S. experience over the last 40 years, the date the member retired could cause more than a 100 per cent swing in the amount of pension received from a defined contribution pension plan. In other words, members who retired at the most favourable time in that 40-year period would have received more than twice the amount of pension than those who retired at the least favourable time. Variations in the success or failure of the individual member's investment strategy would increase the range of outcomes even more. By contrast, members of the CWPP in the same circumstances would receive the same amount of pension.

Which Type of Plan Pays Higher Benefits?

No matter which type of pension plan, the benefits eventually paid to all plan members are provided from the contributions paid into the plan, plus the investment income earned on the plan assets, less the plan's operating expenses. If the rate of contribution is the same for each plan type, the plan with the highest level of net income (that is, investment income minus operating expenses) will be able to pay a higher level of benefits, in total, to the plan members.

In defined contribution plans, members invest their account balances in a combination of investment funds based on their individual tolerances for investment risk and knowledge of the investment markets. In the CWPP, the assets are invested in a balanced portfolio of fixed income

Pension Plan (CWPP)

a pension of \$22.50 per month is provided for each 350-hour unit, although this amount will be reduced effective July 1, 2003. However, the contribution rate is also fixed (e.g. \$2.34 per hour) similar to a defined contribution plan. Although contributions are fixed, they are not allocated to individual members – instead, they are pooled for the benefit of all members, like a defined benefit plan

Contribution Plans Differences—

Compares the CWPP to defined plans and shows their major differences.

securities and stocks (both Canadian and foreign) managed by professional investment managers, as well as some real estate and mortgages. Experience shows that members of defined contribution plans, responsible for making their own investment decisions, invest a higher portion of their account balances in fixed interest funds offering safeguarding of capital but low interest rates. Historical studies show that the total investment return on defined contribution plan assets have lagged behind those earned by defined benefit plans by an average of two per cent per year.

As a general “rule of thumb”, a one per cent per year improvement in the net return on plan assets will result in a 20 per cent increase in the benefits eventually provided by a pension plan. A two per cent margin in investment returns would mean a 40 per cent difference in the benefits ultimately provided to plan members. Based on past experience, the total benefits delivered to members of a defined contribution plan can be expected to be much lower than those provided by the CWPP, provided its investment performance at least matches the average for similar types of defined benefit pension plans.

Plan operating expenses consist of two main components — expenses relating to investment of the plan assets and administration expenses relating to the maintenance of member records, payment of benefits and the ongoing administration of the plan. Generally, investment expenses are higher for defined contribution plans, especially if the investment funds include mutual funds; however, administration costs are much lower. In total, overall expenses for defined contribution plans can be expected to be similar to or perhaps slightly lower than the CWPP’s operating costs.

Pension Philosophy—Individual vs. Collective Approaches

In comparing the CWPP and defined contribution plans, another important thing to look at is the philosophical issue of whether it is better to have an individual or a collective approach to providing pension benefits.

The CWPP is based on a collective (or pooled) approach. While benefits depend on the member’s period of participation, hours worked, and age at retirement, the contributions paid for the hours worked by a member are pooled with all other contributions. They are not allocated for the benefit of the member only. As members approach retirement age, the cost of the benefit they earn each year increases to the point, at about age 46, where the cost of the benefit earned is more than the contributions received for that member’s hours. The extra cost is covered by a portion of the contributions received from younger Plan members.

Another aspect of the collective approach is that it allows a pension plan, like the CWPP, to provide certain special benefits, such as pensions for hours worked before the Plan’s effective date, immediate pensions for disabled members, and subsidized early retirement pensions. Again, the cost of these is provided out of the general pool of assets and not from the contributions received for the individual members who receive these special benefits.

If the assets of the CWPP and future contributions are not enough to finance the Plan benefits, the only remedy is to reduce Plan benefits. Under the collective approach, the impact of these reductions is applied in some equitable fashion to all groups of Plan members.

In contrast, defined contribution plans are based on an individual approach to providing pensions. The benefits received by a plan member are the benefits that can be provided by the member’s individual account balance. Members who are in their mid or late career and who stay until retirement will not benefit from contributions paid by younger members. Members who become disabled or wish to retire early will also receive no support from the Plan as a whole. They can rely only on their own account balance. Members who would benefit more from a defined contribution plan than from the CWPP would be younger members who leave the plan early – before reaching their mid-40s.

Defined contribution plans transfer the financial risks (and rewards) from the membership as a whole to each individual member. Even for members who are in identical circumstances, the benefits received may differ significantly depending on the success or failure of their particular investment strategies. That means there is a greater difference in the benefits received under a defined contribution plan.

Important Benefit Plan News

Most members received a mailing from the Carpentry Workers Benefit Plan recently that outlined some important changes to the Health and Welfare Benefit Plan package for Carpenters.

These changes are made necessary by increased costs being passed on to consumers and benefit plans. Last year, the provincial Liberal government jacked up MSP premiums by 50 per cent and extended health costs have been soaring 15 per cent per year. MSP also stopped covering many services that members use, including eye exams, physiotherapy, chiropractic, etc.

The Carpenters’ Plan currently has the lowest contribution rate of all construction trades as contributions haven’t risen for nearly a decade. Presently, the Plan receives \$1.195 per hour in employer contributions, but benefits cost \$2.445 to deliver. This cannot continue.

The Plan Trustees have made some tough choices to ensure the long-term financial health of the Benefit Plan. The major change is eliminating paying the MSP premium for members. As of May 1, 2003, members will be responsible for their own Medical Services Plan premiums. These premiums are based on family size and income. The monthly rates vary from \$54 for one person to \$108 for a family of three or more.

Changes at a glance

What will Change:

Effective May 1, 2003:

- Members will be responsible for their own Medical Plan premiums.
- Widows or widowers of deceased members will receive longer benefit coverage.
- Hour bank cap will change from 1,600 hours to 1,200 hours.
- Self-payment rate subsidies will end, expect for those receiving a CPP disability pension or WCB wage replacement benefits.
- Self-payment packages will be cancelled 18 months after the last month of coverage paid through employer hours. There is no limit on self-payment if you are retired or receiving a CPP disability Pension.
- The self-payment package will no longer include wage replacement programs and hour bank credits.

- Shortage of Hours billings will be calculated differently.
- Travel Assistance Program rules will be updated.
- The Individual Benefit Plan self-pay package will be cancelled (This measure affects four members).

What won’t change:

- Dental-Optical-Hearing Aid Coverage (includes eye exams).
- Extended Health Care Benefits.
- Number of hours required for a month of coverage (100).
- Number of hours required to qualify for coverage (200).
- Life Insurance.
- Spouse’s Death Benefit.
- Employee Assistance Program.

Rising costs hit Benefit Plan

You can’t pick up a newspaper without seeing something about the rising costs of health care. Our Plan is facing these challenges too. As described in the recent mailing about changes to the Benefit plan, the cost of providing benefits has recently risen quickly and significantly. We expect to see continued increases.

Government shifting of costs to individuals and private plans has had a staggering impact—one we haven’t recovered from.

Medical Services Plan (MSP) premiums rose 50 per cent last year, which is the biggest reason the Plan announced the recent changes to the benefits package. However that’s not the whole story. Extended health benefit costs are rising about 15 per cent a year. If you compound that growth, it results in an increase of 100 per cent in just five years.

Despite the increase in premiums in 2002, MSP stopped covering physiotherapy, chiropractic, naturopathy, massage therapy and non-surgical podiatry (except for those on premium assistance). MSP also stopped covering routine eye exams for those aged 19–64 years. Both these changes

meant increased costs for the CWBP because the Plan is now reimbursing costs once paid by MSP.

There were also changes to Pharmacare deductibles in 2002, which meant our Plan members spent more on prescriptions and claimed those extra expenses on the extended medical plan. Pharmacare has announced further changes effective May 1, 2003 which will again increase costs for many of our members (but not those with low incomes), which will be passed on to the CWBP.

We encourage all those born 1939 and earlier, or those with family incomes under \$40,000 to register with the new Fair Pharmacare program, to ensure that the Extended Health Benefits Plan is not paying costs which are eligible under Pharmacare. Even if everyone registers, the costs to the Plan are expected to increase at least 5–7 per cent because of these recently announced changes.

There are new trends in medicine which greatly benefit people but have also increased our costs. This means that prescription

drug sales are increasing. Both the number of people claiming and the cost per claim increases year by year. People are better informed and expect more help for chronic conditions.

New treatments for arthritis, gastrointestinal problems and depression are much more effective than earlier therapies, but they are also more expensive. These drugs, often used on a continuous basis, drive up costs. Other conditions, such as asthma, respond better to a “cocktail” of drugs instead of a single drug, which also drives up the cost of treatment. The population in our Plan is aging, and an aging population tends to have higher medical costs.

“Rising costs are so significant we can’t get things back on track by making minor changes,” says Board of Trustees Chair John Davies. “There have been no contribution increases in almost a decade, coupled with dramatic and ongoing cost increases. The trustees have reacted to stop the bleeding with the current cuts,” he explains, “but we are looking for alternatives that may better address individual needs in the future.”

REMINDER: Healthcare claims due June 30

All Carpentry Workers Benefit Plan claims including Dental/Optical/Hearing Aid and Travel Assistance expenses for 2002 must be received in the CWBP office 300 - 2806 Kingsway, Vancouver BC, V5R 5V1 by June 30, 2003. Call 604 438-2434 or toll free 1-877-411-2806 for information.

Extended Health claims for prescriptions, drugs, hospital room, physiotherapy, chiropractic, podiatrist, massage practitioner or naturopath expenses must be submitted to Pacific Blue Cross, PO Box 7000, Vancouver, BC, V6B 4E1 Call 604-419-2600 or toll free 1-888-275-4672 for information

Carpentry Workers claim forms may be downloaded from the website at: www.cwbp.ca

MSP forms are available at: www.healthservices.gov.bc.ca/msp

Fair Pharmacare registration: <http://pharmacare.moh.hnet.bc.ca/>

Safety regulations will be slashed

Liberal government hacks WCB benefits, regulations

By Noreen Hall WCB Advocate

The BC Liberal Government has implemented massive changes to WCB benefits and the appeals system. These changes came into effect June 30, 2002 and March 3, 2003. These changes mainly affect your weekly benefits, pensions and any vocational rehabilitation benefits. They also propose to eliminate one-third of the Regulations, which affect your safety on the job.

What this means to you is, if you are injured after June 30, 2002, the benefits you receive will be based on your earnings one year prior to your accident. There is no more three or five-year averaging of wages. Once the one-year gross earnings are calculated, your rate is based on 90% of net. Previously, if you were making \$40,000 per year, you would have received approximately \$577 per week. Now you will be receiving \$535 per week. The drop of \$42 per week translates into a loss of more than \$2,100 per year.

If you received a pension before June 30, 2002, you will receive it for life. Now pensions are only payable to age 65. If you are hurt after the age of 63, you will not receive any pension regardless of how significant your injuries are.

Should you be unable to return to your pre-accident occupation, WCB is planning to restrict any retraining to 26 weeks and 14 weeks of job search. Any useful retraining takes more than 26 weeks. As WCB will now only pay loss of earnings pensions (the difference between what you were making when you were hurt and what you can make with your retraining) in "extraordinary" circumstances, it is unlikely you will be fully compensated for your loss.

Previously, you had a right of appeal to the Review Board, Appeals Division, and

the Medical Review Panel. Now there is only a two-level appeal system, the Review Division and Workers' Compensation Appeal Tribunal (WCAT). You are only guaranteed one appeal to the Review Division, which is an internal review process conducted by WCB employees for issues relating to vocational rehabilitation benefits and some pension issues. For those people who have been caught in the backlog waiting for their first appeal, they will only be entitled to one appeal at the WCAT regardless of the issue. It is also anticipated the backlog will take two to three years to process. That means some people could wait up to six years for a hearing.

The system was meant to fairly compensate you and ensure no unnecessary burden was placed on your family or the state. With all the recent changes, the scales have been severely tipped in favour of the employer. Workers are not going to be fairly compensated, and when they appeal, will have their decisions reviewed by the WCB; the same agency that made the original decision.

Though these changes may not affect you directly, this will affect someone you know. The residents of BC should be outraged by these government changes. I would strongly suggest you write or contact the Minister responsible for WCB, Graham Bruce and voice your dissatisfaction with the recent changes to WCB, as well as the impending reduction in the WCB Regulations.

Graham Bruce
Room 311, Parliament Buildings
Victoria, BC V8V 1X4
Fax: 1-250-356-6595

Should you have any questions regarding benefits you are presently receiving or anticipate receiving, I can be reached at 604-437-0491 or Toll Free 1-877-411-2806.

Georgetti stonewalling says Embree

CLC justification process blocked

By Doug McCorquodale

The long struggle of BC Carpenters to achieve autonomy from their parent International Union, the United Brotherhood of Carpenters and Joiners of America has run into a surprising roadblock—the Canadian Labour Congress (CLC).

On October 16, 2001 the BC Provincial Council of Carpenters applied to the CLC for "justification of a planned action," in accordance with the CLC constitution. This justification sought a resolution to the dispute between the BC Carpenters and its parent International union headquartered in Washington and Las Vegas. The 16 months since the justification application was submitted "has been an exercise in stonewalling by the CLC president, Ken Georgetti," says BC Council President Len Embree.

This should be of serious concern in the Canadian labour movement. Just three years ago Ontario Service Employees International Union (SEIU) medical workers sought independence from their parent international organization by joining the Canadian Autoworkers Union (CAW). This controversial action was denounced throughout the labour movement as raiding and resulted in CAW being disaffiliated from the CLC. The end result of over a year-and-a-half of recriminations and hard bargaining was that the more than 10,000 service workers voted 92 per cent to join the CAW.

"Now we have come full circle. It is easy to see now that CAW and Buzz Hargrove were correct in their assessment of the CLC's inability to address Canadian workers' desire to be autonomous from their parent International Unions," says Embree.

On his election in 1995, General President Douglas J. McCarron, promised a shift towards organizing. But he didn't reveal his true intentions. Instead, relying on a clause in the constitution which gives unrestricted power to the General President, he began restructuring the Carpenters Union in North

America. This restructuring involved dissolving and merging local unions without membership approval as well as transferring local union assets to McCarron appointed Regional Councils—also without members' approval. McCarron appointed the leadership of the Regional Councils and local unions were not allowed to elect or hire full time union representatives.

All power in this restructured organization resides in McCarron's Regional Councils. Furthermore, members in most jurisdictions are no longer allowed to ratify collective agreements. McCarron's new structure removed the right to vote and imposed a one-size-fits-all Regional Council system throughout Canada and the United States. The only jurisdictions still outside McCarron's structure are British Columbia and one opposition carpenter local union in Sarnia, Ontario.

The International has not won any of the many lawsuits it has initiated against the BC Carpenters (See page 1). The CLC has repeatedly falsely accused the BC Carpenters of initiating law-

suits which is not allowed by the justification procedure.

Further, CLC President Ken Georgetti has threatened to dismiss the Carpenters' justification application because of our support for a Labour Relations Code amendment before a government review committee.

The amendment would allow unions to transfer their bargaining rights to another union and would prevent a union local being put under trusteeship without the legal principle of "just cause" being applied.

The CLC President is opposed to a statutory amendment that may interfere with a parent trade union's constitution. At the same time the BC Carpenters have been unable to process their justification application through the trade union central's internal process.

"The CLC President has a lot of gall, stalling our application, while threatening the Carpenters from seeking relief in a statutory change," said Embree. "One way or another we will achieve our autonomy from the International. The CLC and the International cannot prevent this," he concluded.



Bill Duck, Local 1995 BA, presents a Local T-shirt to BCIT instructor Al Williams who says, "I don't normally wear T-shirts, but I'll wear this one." Lather Apprentice Mark Paddock was receiving a bursary cheque.



Shipbuilder burn victim, Johnny Flora, shows off hockey jersey presented by Canuck GM Brian Burke as Local 506 BA Bob Eton looks on

Burned welder hit by new, unfair WCB pension rules

Local 506 welder Johnny Flora, who was 63 when he was burned in an accident at Vancouver Shipyards will now confront new WCB rules that terminate his pension when he turns 65 next year. Under previous rules he would have received a pension for life.

Flora, who was burned over 60 per cent of his body, lost much mobility and both his ears in the fire. He must wear a plastic face mask and special neoprene burn garments for the next year.

His wife Yvonne says the new WCB rules are unfair. "He lost his quality of life, not only for him, but for the whole family," she said.

Retired members

The following BC Carpenter Union members have recently taken normal, early or disability retirement and are eligible to receive a Carpentry Workers Pension

| | | | |
|-------------------|-------------------|---------------------|---------------------|
| Adams, George | Dent, James | Kostian, Dieter | Rainey, Wm Tom |
| Affeld, Hans | Dunlop, Robert | Lang, Ronald | Raisanen, Seppo |
| Bauer, Siegfried | Fisher, Warren | Lange, Edmund | Robb, Dewar |
| Bazzaco, Vittorio | Fleck, Colin | Lawrence, Terry | Roden, Edward |
| Bennett, John | Fletcher, Clark | Lea, William | Smith, Martin |
| Berg, Erdman | Goossen, Rudy | Mattiazzo, Vittorio | Sookachoff, Philip |
| Bothe, Dieter | Guolo, Alessandro | Mazzucchi, Bruno | Szoboticanec, Steve |
| Boxer, Kenneth | Hanson, David | McNichol, Ross | Tortora, Giuseppe |
| Brauer, Erich | Harriott, Robert | Meissner, Horst | Wagenko, Bill |
| Brotto, Renato | Kaatz, Reuben | Neudorf, Salomon | Wenzel, W |
| Carniato, Danilo | Kaatz, Doris | Papagianopoulos, | Zaitsoff, Kenneth |
| Ceh, Joseph | Karpinsky, Fred | Demetrios | |
| Corriveau, Denis | Keene, Patrick | Pekcec, Ivan | |
| Cottier, Peter | Keown, Lyle | Penna, Pertti | |

McCarron did not act in good faith

Two big victories for BC Carpenters

BC Carpenters won two big court cases brought by the International recently. The biggest was the dismissal of General President McCarron's application to seize the Council's books. The judge ruled that McCarron did not act in good faith as he had an ulterior political motive when he moved against BC Carpenters.

The second was the decision of Justice Halfyard regarding the lawsuit brought by the Trustees of the International Officers' Pension Plan against those Locals and Councils in BC which do not make contributions to the International Plan on behalf of their Business Agents and Organizers. The International had applied for a summary judgement, which if successful would have compelled every Local and Council in BC employing Business Representatives and Organizers to pay all past and future contributions to the International pension plan.

The case was heard in December and then late in January, Justice Halfyard brought down his decision dismissing the International's application. Even more important, during the course of the hearing, the International agreed to drop their claim to all past contributions. Had every Local been forced to pay past contribu-



**COUNCIL
COMMENT**
by
Dave Flynn

tions, which are 13 per cent of gross earnings, it would have imposed a severe financial hardship, and in some cases bankruptcy. The lawsuit is scheduled to go to full trial in January, 2004, but the claim will only be for future contributions and only if they win.

BC constitutional amendments refused

In other International affairs, last October the Provincial Council submitted the amendments to our constitution, approved by an 80 per cent yes vote in the referendum last fall, to First General Vice President Doug Banes for approval. These are the amendments that would allow for the legal costs in our fight with the International to be paid from the Strike and Defence Fund. Not surprisingly, Vice President Banes, in a letter received mid February, refused to approve the amendments. In his view they are contrary to the

General Constitution. We will, of course, appeal his decision to General President McCarron, but we fully expect that he too will try to make it difficult to defend ourselves and refuse to approve the amendments. If that is the case, the Provincial Council will examine all of its options—including legal action against the International if necessary—in our efforts to have them respect the legitimate wishes of the membership in BC.

Not surprisingly, Vice-president Banes...refused to approve the amendments

UBC project agreement reached with PacAlta

A little closer to home, and more directly affecting our members, the Provincial Council was successful this winter in negotiating a project agreement with PacAlta Construction.

PacAlta will be doing all the formwork as a subcontractor for Monad/PCL on the Michael Smith Centre at the University of BC. Without this project agreement in place, all the work on this project would have almost certainly been non-union. Now, the project will provide jobs for 30-40 of our members.

The agreement is essentially our Standard All Employee Collective Agreement, with the rate set at the Vancouver area enabled rate for Commercial/Institutional work.

We are confident that, with a successful project, we will be able to establish a more permanent relationship with the company.

May 1 rate increase

There are a number of other matters that continue to keep the Council busy. We are still negotiating with CLRA for an agreement on the allocation of the 50 cent wage rate increase that comes into effect on May 1, 2003.

Labour Code review

We are making submissions to the committee that is reviewing proposed changes to the BC Labour Code, seeking amend-

ments that would require "just and reasonable cause" before a parent body can place a Local under trusteeship. The Internationally controlled Building Trades Unions, among others, are opposing any such democratic amendments as "state interference in the internal affairs of unions."

Justification at CLC

We are also still trying to advance our application to the CLC under the justification provisions of the CLC constitution.

In the last issue of *ON THE LEVEL* it was reported that the CLC would be conducting a vote of the membership of the Carpenters Union in BC on whether we wished to affiliate directly to the CLC. We have since received a proposal from the CLC on how that vote would be conducted, but we disagree with some major aspects of their proposal.

The Council has responded to the CLC proposal, and we will try to work through our differences. If unsuccessful, however, we will have to make some serious decisions on our best course of action to gain autonomy from the International. I'm certain that this will be one of the focal points of debate at our upcoming convention in April.

Spotlight on organizing

by Josh Coles, provincial organizer

PacAlta signs wall-to-wall with BC Carpenters Union

Local 1995 is getting aggressive with its organizing tactics. This month Lower Mainland members will begin working on the largest All-Employee project the Carpenters Union has ever experienced in BC.

The \$27 million Michael Smith Centre project at the University of British Columbia is not particularly huge, but the difference is that most of the working hours will be performed by members of Local 1995.

The contractor, PacAlta Construction, recently signed an All-Employee project agreement with the BC Provincial Council of Carpenters.

PacAlta signed with us because they need qualified trades people and apprentices. The Provincial Council signed with PacAlta because we are determined to get our members work.

PacAlta will be subcontracting the job from Monad Contractors, a CLAC-certified corporate partner of PCL Contractors.

This work for union carpenters also means work for other trades. PacAlta was a non-union contractor that would have stayed that way if not for our ability to sign an all-employee collective agreement. Our relationship with PacAlta will pro-

vide union work for tradespeople and apprentices. Without our union, these trades would be working non-union on the job.

Increasing the amount of work was the reason why, in 1991, our members voted at convention to seek out all-employee arrangements. Some of our Local Unions, such as Castlegar Local 2300, have had all-employee agreements with numerous contractors since the late 1990's.

The Carpenters currently have more than 60 wall-to-wall agreements signed provincially.

We have also taken a page from the Labourers Union in our approach. In Toronto, the Labourers Union Local 183 organizes, represents and trains carpenters, labourers, cement masons and other trades. Local 183 carpenters do most of the concrete formwork on high-rise and low-rise residential towers, highway overpasses and bridges in the Toronto area.

Local 183 is training carpenters too (see their courses listed at <http://www.183training.com>). At their rate of expansion, Labourers Local 183 will soon have more qualified carpenters working than the Toronto Carpenters Union!

Catching cheaters

Canus Construction Inc, an architectural millwork company from Alberta, wrote a check for \$45,000 last month to Local 1995. The company, which has long been certified union in BC, was caught by the union using non-union carpenters while working at the Louis Vuitton store in the Hotel Vancouver.

Local 1995 Organizers Jan Noster and Apolo Suarez and

Local 1995 BA Charlie Scaling joined forces to ensure that Canus lived up to its contractual responsibilities. The team not only received the penalty payment from Canus, but the company also renewed their collective agreement with our union.

The moral of this classic story is that members need to be diligent in reporting their working activities to our organizers. Re-

porting where you are working will not jeopardize your job and it may even lead to better wages if the company is, in fact, supposed to be using our dispatch system.

Our organizers do hear from many members when they are working non-union, and those members jobs are not put at risk in any way. In fact our future with Canus is brighter because of such membership dedication.

KML raided away by IWA

Why did steel building cert go sour?

The current International Carpenters Magazine contains an article, *Using Technology Makes Residential Work a Steel*, steeped in so much double-speak that it just can't be left unchallenged.

The article is a glowing tribute to KML Homes, a steel building manufacturer in Cambridge, Ontario. The article mentions new techniques, carpenter installation of the steel homes, etc.

What the article fails to mention is that last year the IWA raided the plant away from the UBCJA, which had held the certification. The issues of the raid included the fact that Jim Smith, Canadian Vice-President of the UBCJA, sat on the Board of Directors of the company at the same time as being the boss of

the plant's union rep, Greg McMahan. The UBCJA had held the KML cert for many years because, in part, Carpenter Local 27 pension funds invest in the company. It is as a representative of the pension funds that Jim Smith earned his spot on the KML three-person Board of Directors, a position he still holds.

The problem is that KML employees couldn't get grievances settled because union rep McMahan had the same boss, Smith, as the KML employees!

For years issues festered in the plant and last year the IWA raided. IWA inherited the carpenters' collective agreement, of course, and a new round of bargaining is scheduled for later this month. That makes it IWA vs. Jim Smith in bargaining.

Early convention to consider BC autonomy

Court victories truly staggering in scope

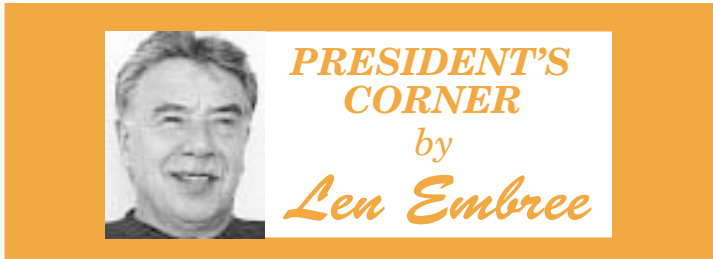
We won! What a feeling, what a relief.

We won two court cases that many said were lost causes—after all, how many court decisions go your way just because you are right?

In a staggering win for democracy for BC Carpenters, Madam Justice Brown agreed with us that General President McCarron did not act in good faith, that he had an ulterior motive for taking us on. Anything he does against us from now on will be coloured by that fact. Justice Brown said that McCarron had a political reason for demanding to examine BC Carpenters' books and records. She didn't believe his explanation. (See front page story for details on our latest court victories).

And, as some of you may already know, the International lost their application for summary judgment against the Local Unions that went to trial in January of this year.

Although the regular trial is to proceed in January 2004, it does so with some significant change. Most importantly, the International has given up any claim to past contributions. This was critical to the survival of some of the smaller locals. In the case of some of the chatter from International supporters that we could never win this issue, the fact that we also received costs in the judgment must be particularly galling. It is quite apparent that the lawsuit has very little to do with pension contributions and everything to do with trying to bully the Locals into line. What a travesty. All predicated on the belief that there are two classes of members when it comes to pension benefits. This position is still being maintained by the International even though the officers who gave evidence clearly stated they did not want



to participate in their plan or their vision.

Justice Halfyard, in his decision, indicated that Madam Justice Brown's findings on bad faith could have a significant impact on any future findings in the pension case.

What these wins truly mean remains to be seen, but I feel it shows we have right on our side and we will win.

FTQ (Quebec Labour Federation)

We were fortunate to have Bros. Yves Mercure and Yves Ouellet from the FTQ attend our executive board meeting on February 24, 2003. The two brothers represent approximately 18,000 carpenters, lathers, and floorlayers in the province of Quebec. It was quite inspirational to hear of their success in organizing since leaving the International in the mid-80s. It is quite apparent to the Executive Board that there is indeed a common interest between the BC Carpenters and the FTQ. Besides the fundamental issue of solidarity within our own country, there remains common interest on national issues such as training, politics (i.e. softwood lumber), etc. The brothers have been invited to our convention in April and there will be the opportunity for delegates to discuss some of these issues with Yves and Yves in person.

CLC Justification

Our justification application at the Canadian Labour Congress has taken some serious

bumps along the way.

The President of the CLC, Ken Georgetti, wants us to accept a justification procedure that delivers the BC Carpenter membership to the International hog-tied and branded.

In seven years we have defeated every turn of the International to take over the BC Carpenters and remove our right to vote. Recently we received a letter from Georgetti outlining the procedure for a CLC conducted vote. That process was clearly designed by the International. It would break up the Provincial Council, transfer bargaining rights to each construction local and then allow the International to come after each local individually!

The process Georgetti presents would also allow the International to continue its liti-

gation against us no matter what the outcome of the vote.

This duplicity is frustrating. Ken Georgetti's letters to us are in similar tone and content as we get from the International General President Douglas J. McCarron. We have waited over 16 months since our application was filed. In that time we have seen little movement.

In addition, Georgetti threatens us with dismissing our justification application if we don't withdraw our proposed Labour Relations Code amendments. The present Liberal government is accepting submissions on Code changes. Every union is entitled to make submissions. Despite his threat we made a submission. We did this because we were being stone walled and ultimately hijacked by Georgetti on the internal CLC constitutional method for resolving disputes (Justification).

Our submission on the Labour Code seeks to include the provision that a union cannot be put under trusteeship **without just and reasonable cause**. In addition we are seeking to have bargaining rights transferred by

a vote of the membership as well as a stipulation that a parent organization's constitution cannot act as a bar to the member's wishes. Pretty basic democracy.

I would defy any union leader to tell workers that they are just so much chattel and can't transfer their bargaining rights and can be put under trusteeship without procedural fairness or just cause.

If the justification application is tossed at the CLC we will move to Plan B. Everyone can be reassured, we will get our autonomy and soon. (See Justification page 6)

2003 Convention - April 10

Convention is early this year and considering the issues facing us, it's a good thing. It seems to me we need to make some obvious decisions on autonomy. We need to negotiate a new province-wide all employee agreement. The present one is up on April 30 of this year.

We will also have to begin negotiations for the standard construction agreement prior to April 30 of next year. We need to continue to focus on organizing and COMET training along with steward courses. We have had some success with these two courses to date. We need to develop a province-wide response to the vacuum created by the government in trades training.

The question remains. Do we have a better chance of success on any of these issues as an autonomous, membership directed union, or do we continue down the road as laid out by the undemocratic International hierarchy?

The answer to me is obvious! I look forward to a positive convention.



Yves Ouellet, President of the Quebec Interior Systems Local 2366 (left) and Yves Mercure, President of the Quebec Carpenters Local 9 (right) flank BC Carpenters President Len Embree at a recent meeting at the Carpentry Workers Centre in Vancouver where they discussed fraternal relations

Eligible but not enrolled

Carpenter Union members listed below have not enrolled in the Carpentry Workers Plan and as a result may not be earning pension or Benefit coverage. They should contact their Local Union and complete the necessary Enrollment Form. Once the proper Enrollment Form has been completed and filed with the

Carpentry Workers Benefit and Pension Plans office, in accordance with the Plan rules and Trust Deed, the enrollment date can be back-dated a maximum of six months.

No local listed

Barry, Jason N
Bennett, Randy N
Braulin, K N
Carswell, Jason N
Cummings, David N
Fast, Malcolm A
Foulkes, J N
Giorgianni, P N
Holm, T H N
Horman, B N
Jack, S N
Jensen, Cliff N
Johnson, T N
Osmond, Russell N

Local 513

Sutton, Nigel N

Local 527

Amson, Charles L
Copeland, Michael V
Forrester, William N
Naylor, Kevin N

Local 1237

Beaudoin, Maurice N
Goulet, D N
Schwertner, Anton N

Local 1325

Poirier, Bradley N
Wyck, J N

Local 1346

Blue, Jason N
Cadarette, Charles N
Cleary, Tom N
Menard, Lucien J
Peil, William N
Ratcliffe, Douglas J
Stevens, Ryan N

Local 1370

Bothe, Kristopher D
Journeay, Donald H
Phillip, Barry N
Sherstobitoff, Barry M
Van Dusen, Leslie D

Local 1598

Aldinger, Christopher J
Arseneault, Gary J
Banfield, V N
Blasetti, Carlo N
Gibbons, Gary A
Gnech, Anthony J
Hall, Sheldon N
Handford, Tom N
Hitchen, Terry S
Hookey, B N
Little, A N
Mohr, J N
Morin, Gilles N
Myers, Alan J
Nygren, Arden N
O'Keefe, Tom N
Schmitke, Brian L
Scroggs, D N
Stock, Devin N
Zimmer, James C

Local 1719

Babiak, John N
Crofton, D.J. N
Johnston, Brian N
Opperman, Cory N
Postnikoff, B N
Smith, Dwight N

Local 1812

Baldwin, Mike C
South, Clifford A

Local 1907

Baldwin, Robert A
Swain, Rob L
Turner, Bruce N

Local 1989

Fauteux, David N
Legault, James D
Russ, Craig N
Shrubsole, Jon E
Strachan, Michael W

Local 1995

Balbino, Roy J
Bridges, Paul N
Calvert, Jeremiah N
Campbell, Bruce D
Capuani, Peter N
Charbonneau, Jean Luc
Derodra, Rahul J
Ellis, Jay H
Hynninen, Antero N
Kirkpatrick, Harvey N
McCullough, Darren N
Mckay, Richard A
Menunzio, Wayne G
Mitri, Rafer N
Montgomery, Glenn D
Needham, Jamie L
Pratas, Manuel N
Siozos, Thomas N
Skaling, John N
Slaney, Timothy J
Sukwon, Seo N
Sweeney, John N
Valade, Tommy H

Local 1998

Corbeil, Herbert N
Done, Ron T
Dutka, Kelly N
Herbert, Kevin N
Lachapelle, Martin P
Proulx, Kirk N
Rosner, Richard N
Soles, A W
Strachan, Willard N
Thomas, Baron E
Zaporozan, Robert D

Local 2068

Bowes, Don N
Clarke, Greg P

Local 2300

Andrews, D C
Brideau, Jerry N
Dawson, Eric F
Kinakin, Alex N
Lucht, Gordon E