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Honourable Members of the Senate of Canada

Dear Senators:

I am writing regarding Bill C-377, An Act to amend the Income Tax Act (requirements for labour organizations), which passed third reading in the House of Commons on December 12, 2012, and has been referred to you for further consideration.

The Government of Ontario wishes to convey to you and the Government of Canada our serious concerns regarding the inexplicably intrusive nature of Bill C-377's financial disclosure obligations. These requirements would impose an onerous administrative burden on both organized labour and on government to collect and file these returns, potentially compromise the privacy of individuals, and could represent an unwarranted interference with the collective bargaining process in Canada.

In our government's view, the internal administration of a union, including how dues are spent, is a matter between the union and its members. Bill C-377 seems unnecessarily provocative and without a sound public policy rationale to justify its passage.

Ontario's *Labour Relations Act, 1995* has longstanding financial accountability provisions for organized labour to their members. Unions are required to provide a copy of an audited annual financial statement to a requesting member. If the union does not provide the statement or the member believes the statement is inadequate, the member is able to file a complaint with the Ontario Labour Relations Board (OLRB), which already has the powers necessary to remedy any conflicts.

Our research shows only a handful of complaints have been filed with the board over the last few years. This suggests that Ontario's existing rules in this area currently meet the needs of organized labour members. It also suggests that unions are responsive to their members' needs as they are the individuals who fund and elect their leadership through democratic means.

A former Conservative government of Ontario previously attempted a similar experiment. For several years, organized labour was required to disclose to the Minister of Labour the salaries and benefits of all employees, officers and directors who earned in excess of \$100,000 a year. The Minister was given the discretion to publish filings, and several reports were made public. These disclosure requirements failed to promote productive labour relations, nor did they provide any value-added accountability to union members that was not otherwise available through the OLRB processes. At the same time, these new requirements used up scarce government resources and were a poor use of taxpayers' dollars. These disclosure requirements were repealed in 2005.

As passed in third reading, Bill C-377 we believe lacks an appropriate balance between legitimate public policy goals and respect for personal information which is normally considered sensitive. The public will legitimately ask 'what is the problem this bill is intending to address?' This bill's potential impact on privacy concerns a great many Canadian citizens, organized labour, corporations, not-for-profits and pension funds.

Over the past eight years, our government has worked hard to restore fairness, balance, dignity and productivity to labour relations in Ontario, while keeping our province competitive. I am proud to report that nearly 98 per cent of labour contracts in Ontario are settled without disruption. This bill, as passed in third reading, has the potential to drastically derail collective bargaining in Ontario. In these tough economic times we need governments, organized labour, and management to work together, and this bill as passed through the House needlessly intervenes in that process.

I believe the purpose of this bill substantively interferes with and impedes the internal administration and operations of unions, and is not grounded on defensible labour relations practice or policy. Given the concerns I have outlined I recommend that this bill not be passed into law.

Sincerely,

[Original signed by]

Linda Jeffrey
Minister

- c: The Honourable Lisa Raitt, Minister of Labour, Government of Canada
The Honourable Jim Flaherty, Minister of Finance, Government of Canada
The Honourable David Hancock, Minister of Human Services, Government of Alberta
The Honourable Pat Bell, Minister Responsible for Labour, Government of British Columbia
The Honourable Don Morgan, Minister of Labour Relations and Workplace Safety and
Minister responsible for the Workers' Compensation Board, Government of
Saskatchewan
The Honourable Jennifer Howard, Minister of Family Services and Labour,
Government of Manitoba
Madame Agnès Maltais, Ministre du Travail, Gouvernement du Québec
The Honourable Danny Soucy, Minister of Post-Secondary Education, Training and Labour,
Government of New Brunswick
The Honourable Marilyn More, Minister of Labour and Advanced Education
Government of Nova Scotia
The Honourable Janice Sherry, Minister of Environment, Labour and Justice Government of
Prince Edward Island
The Honourable Darin King, Minister Responsible for the Labour Relations Agency,
Government of Newfoundland and Labrador

The Honourable Jackson Lafferty, Minister of Education, Culture and Employment
Government of the Northwest Territories

The Honourable Daniel Shewchuk, Minister of Justice, Government of Nunavut

The Honourable Elaine Taylor, Minister of Community Services, Minister of the Public
Service Commission, Government of Yukon

The Honourable Doug Horner, Minister of Finance, Government of Alberta

The Honourable Michael de Jong, Minister of Finance, Government of British Columbia

The Honourable Stan Struthers, Minister of Finance, Government of Manitoba

The Honourable Ken Krawetz, Minister of Finance, Government of Saskatchewan

Monsieur Nicolas Marceau, ministre des Finances et de l'Économie, Gouvernement du
Québec

The Honourable Maureen MacDonald, Minister of Finance, Government of Nova Scotia

The Honourable Wesley Sheridan, Minister of Finance, Government of Prince Edward Island

The Honourable Blaine Higgs, Minister of Finance, Government of New Brunswick

The Honourable Tom Marshall, Minister of Finance, Government of Newfoundland and
Labrador

The Honourable J. Michael Miltenberger, Government of Northwest Territories

The Honourable Keith Peterson, Minister of Finance, Government of Nunavut

The Honourable Dwight Duncan, Minister of Finance, Government of Ontario

The Honourable Darrell Pasloski, Premier and Minister of Finance, Government of Yukon