



Business Council
of Canada



Remarks on Bill 148

Brian Kingston, July 12, 2017

Mr. Chair, committee members, thank you for allowing me to take part in your consultations on Bill 148, the Fair Workplaces, Better Jobs Act.

The Business Council of Canada represents 150 business leaders across Canada, from every sector. Our member companies employ 1.7 million Canadians, contribute the largest share of corporate taxes, and are responsible for most of Canada's exports, corporate philanthropy, and business investments in innovation.

Because my time is limited, I'd like to focus on two things in particular: the proposal to raise Ontario's minimum wage to \$15 over 18 months, and the proposal to eliminate secret-ballot voting for union certification in certain sectors.

On the minimum wage, I think we have to start by acknowledging that this plan will make it harder for entry-level workers – young people in particular – to find jobs.

I know you are already aware of the recent study in Seattle, which found that an increase in the minimum wage from \$9.47 to \$13 over two years actually lowered low-wage employees' earnings by an average of \$125 per month.

The reason is simple: employers who couldn't afford such a big increase responded by cutting back the hours of low-wage workers.

Two weeks ago a group of economists across Canada signed a letter that questioned those findings, implying that businesses wouldn't behave that way. I don't want to impugn their motives, but I think it's important to recognize that many of the signatories work for unions or union-funded organizations. To my knowledge, none of them work in the private sector.

If you're wondering who to believe – the economists who say this minimum wage will kill jobs, or the economists who claim it won't – I have one simple piece of advice. Go talk to the small business owners in your ridings – the restaurant owners, storekeepers, printing shops, you name it. Ask them what they do when costs go up, whether it's the cost of labour or the cost of the supplies they buy for the products they make. For that matter, how do you as a consumer react when prices go up? Do you shrug your shoulders and carry on, or do you look for ways to economize?

I think the answer is obvious. And I believe that if you vote to approve this increase, you should at least be honest with yourself about the impact it's going to have, particularly on students and other young people who are trying to get a start in the job market.

Is there an alternative? Yes, absolutely. Ontario could do what other jurisdictions have done – places like California and New York State. They too have adopted a \$15 minimum, but they wisely chose to phase it in over several years – five years in the case of California, to give employers time to adjust.



New York's plan is even more interesting. The state legislators there understood that local economic conditions in Manhattan aren't the same as in Rochester or Binghamton. So while the minimum wage is going to rise to \$15 by 2019 in New York City, in the suburbs it won't reach that level until 2021, and in the rest of the state the minimum wage will only go up to \$12.50.

This approach – which acknowledges that employers need time to adjust to significant cost increases, and that labour market conditions are not the same in every community – is reasonable and fair, in contrast to Ontario's across-the-board, one-size-fits-all plan.

Now let me turn to the government's proposal to do away with secret-ballot voting in certain sectors when workers are deciding whether they wish to be represented by a union.

Simply put, the re-introduction of "card-based" union certification in these sectors is undemocratic. It also ignores the fact that the government, through the Ontario Labour Relations Board, already has ample means at its disposal to ensure that certification votes are free and fair.

Every one of the members of this committee – and every member of the Ontario Legislature – was elected by means of a secret ballot. I'm sure you wouldn't have it any other way. Citizens in your constituency went into the voting booth, marked an X beside your name, and placed their ballots in a sealed box.

They did so free of intimidation and outside influence, in the knowledge that no-one else had a right to know their choice.

Ladies and gentlemen, if it's the right system to elect you, why is it not the right system for workers who are deciding how they wish to be represented in the workplace?

Thank you.

