

Getting it done; Creating and new Northern
Ontario Regional Government.
Northern Leadership Summit
Timmins
Oct 18th 2007

Good morning ladies and gentlemen and welcome to the great city of Timmins. It is a pleasure to be with you today and especially pleasing to have you here as we enjoy our twenty-first annual Northern Ontario Business Awards program tonight. I hope many of you will join us as we honour the most creative and successful business people among us.

My relationship with Timmins goes back more than thirty years, when I used to print my Sudbury weekly newspaper at Norweb Printing here in Timmins. I would drink Rum and coke with Rene Piche, the legendary publisher of the Kapuskasing Northern Times until the early morning hours. The stated purpose of our get together was to negotiate print prices. I never once won a concession of any magnitude but I believe it would have been cheaper for Rene to give me a discount than pay for the drinks, which he always did. My liver is still irate about those meetings.

You know, I've been watching the ebb and flow of the Northern Ontario Economy for nearly 35 years. In 1977 I was honoured to co-chair one of the first local economic initiatives in Northern Ontario called Sudbury 2001, which sadly dealt with many of the same issues we face today. I have published newspapers in Ignace, Thunder Bay, Nipigon, Terrace Bay, Schreiber, Sturgeon Falls, North Bay, Little Current (Manitoulin Island), Sudbury and

Parry Sound along with Northern Ontario Business, the Sudbury Mining Solutions Journal and the Northern Ontario Medical Journal. These investments have given me a bird's eye view of the trials and tribulations of the Northern Ontario Economy from many different vantage points.

I believe passionately in the importance of trying to preserve a way of life in Northern Ontario that is healthy, sane, civilized, internationally competitive, and above all else, sustainable. To do this the people of Northern Ontario are going to have to take some responsibility to get it done. The senior levels of government, although they don't wish us any ill-will have other fish to fry. If anything is going to happen, the people in this room must facilitate the change and undertake to do the work necessary to make it happen. We need to change a culture of dependency into a fearless, creative, resourceful and confident society that takes responsibility for itself.

In macro terms our problem is not that complicated. We live in a unique economic zone. We have little in common with the golden horseshoe, with the farm country of the south west, with the auto economy stretching from Oshawa to Windsor, with the government and high tech economy of the Ottawa Valley, with the tourist economy of central Ontario or for that matter the less fortunate hard scrabble of southeastern Ontario.

We have a resource based economy. It demands unique training and education, independent tax strategies, special energy planning and pricing, modern mining and forestry thinking, special immigration initiatives and, not surprisingly, independent political and institutional structures.

To no one's surprise in this room, we have no jurisdiction over any of the above....hence the historical tension between the north and the south.

I believe incremental change at this point is a waste of time. The reason is that it does not go to the core of the problem. The difficulty is that the people in Northern Ontario who make their living from extracting minerals or harvesting wood or working in some sector related to the two, are completely disconnected from making intelligent decisions about their economic future. They can't realistically influence school or university curriculums, they can't implement tax policy, they can't determine major economic investments by the government, they have no veto power over mineral policy or forest policy and, most importantly, have no money to do any of this even if they could. It is impossible to build a holistic approach to sustainable development in a resource economy if you are governed by people who live in a service economy.

It's like deciding to ban the spring bear hunt from your condo in Toronto when the last bear you saw was plastic and on your mantle piece, and not in your back yard looking for food.

I don't want to overdo this, but let's be honest.

We have a forestry industry that is in disarray. We have a business model that is no longer competitive, and we need to make massive investments in transferring our focus from process innovation to product innovation. We need a sea change in our strategy, our investments, our land tenure arrangements with forestry companies, our education infrastructure to

support a value add strategy, and our tax regime. Additionally, it would be helpful if we weren't still sending raw logs to Quebec so they can add value over there.

On the mineral side, we are riding high with brilliant commodity prices, but it doesn't mean we are one step closer to a sustainable economy. We have just permitted the sale of our two largest mining companies to foreign interests with not so much as a whimper. This is catastrophic to our long term interests. The Federal government thought this development was just fine and the provincial government pulled the sheets up over their heads and hid. To be candid, they have no idea what this means to our economy. Presumably they think the government of Brazil has close ties to CVRD Inco so it can support economic development in Canada and not Brazil. The whole thing preposterous if not treasonous. The impact on the supply change by Northern Eastern Canadian mining supply companies is what is at stake...and this is everything.

The most important thing we can do in our mining economy is invest heavily in our mining supply and services cluster in North Eastern Ontario. Among other things, we need a strategy to make sure every supply company is not bought out and moved somewhere else. In the last three months three highly innovative supply services companies have been bought by German interests. When are we going to learn the most important job we have in Northern Ontario is to preserve local ownership and help facilitate succession planning to keep it in place.

Locally owned innovative businesses are the lifeblood of our future. Without the we die.

This economic imperative is not on the radar screen from that condo in Toronto. It is up to us and I don't think we have really understood how critical local global companies are to us.

It is unrealistic to expect a powerful northern strategy to emerge from Queens Park and even more unlikely it could be sustained from there. The action needs to move north.

My own preference is for a regional government that would take over much of the provinces' and the Federal Government's programming responsibilities in the North related to economic development. It needs to be said the regional government would take over provincial mandates. It would not concern itself with Municipal jurisdictions and it would not hire a whole bunch of new people. They are already in place. We just don't know what they are doing?

In short, instead of asking Louise for money, let's hire her as CAO for the Northern Ontario Regional government. She wouldn't have to travel so much and it would be less overhead if we consolidated the Heritage Fund and Fednor under the same northern roof.

Just as important as having the ability to make decisions is the ability to fund the intellectual capital we need to plan a sustainable economy. Right now nobody is doing it. There is a patchwork of activity at the community levels in the north and there are some real breakthroughs. In Sudbury, the Northern Center for Advanced Technology is world class. In Thunder Bay the molecular medicine initiatives are first rate but it isn't nearly enough.

You can't create a healthy economy if you don't imagine it first. Imagining doesn't come cheap. You need some of the best thinkers in the world and you need a comprehensive relationship between the regional government, the private sector and the colleges and universities.

Let's start with some baby steps today.

Baby step # one) Establish a Northern Ontario Regional Government Secretariat to begin the process of recommending to the senior levels of government how to realign responsibilities to create a sustainable economy in Northern Ontario. Don't ask Fednor or the Heritage Fund to underwrite the exercise. I hope I don't have to explain that. I suggest a \$500,000 annual budget assessed on the basis of population to each major city in the North. Smaller communities should have representation but not be asked to contribute money. The money would fund the work that needs to be done to put solutions on the province's desk. There is no point whining unless you have a well researched plan to recommend. The minute you ask someone else to either do your thinking or fund your thinking you have lost the initiative. You are second tier players.

Babystep # 2) Request both the Provincial and Federal government provide a comprehensive audit of what they do and what they spend and what they collect in Northern Ontario. I doubt they collect more than they spend but it would be interesting to find out. Most importantly it would allow us to begin to think about how and where to redirect funding and responsibility so we get aligned and productive.

Baby Step # 3) Set up an annual political assembly (not necessarily all that different from the meeting today) to meet at the same time each year to assess progress on the road to sustainability. It would bring together northern MP's and MPP's, whatever their party affiliation, members of FONOM, and hopefully more and more members of the academic, business aboriginal and labour communities each year. The problem we need to address is that we have set no economic goals as a region, and we have no mechanism to measure our success, even if we had goals. An annual meeting focuses the mind. Instead of measuring the wait times for knee surgery we need to measure economic growth in the value ad part of our economy. The Assembly needs to record and measure specific initiatives on driving to sustainability. Sharing best practices is a powerful way to build support and esprit de corps.

This is a good time to get serious on these measures for a number of reasons.

A) Right now we have the most alert, sophisticated, and talented group of Mayors at the major city than we have ever had. I know each one of them and respect their talents immensely. I know they can lead this kind of initiative.

B) The province, with the City of Toronto Act, has shown it realizes it must unleash and empower its regions to be competitive as a province.

C) David Caplan's Infrastructure Renewal Ministry is beginning to look at how to power up the regions of Ontario. In fact, Northern Ontario is next on their list. No doubt they could do some of the necessary audit work to give us

some baseline material on what programming is actually being done in Northern Ontario

D) The Premier has demonstrated his direct interests in innovation and commercialization becoming the Minister of He is well aware of the economic problems we face in this province.

E) It would appear the people in this room are ready. This is a special meeting called to consider the challenges we face. It is a good omen for the frame of mind our communities are in.

F) Fednor has just invested substantial funds in Woodworks, a group working hard on value-add wood projects in northern Ontario. This is a good omen. Now before I wrap up let me just say this. Many of you are thinking "oh my god not another layer of government!!!!" Why can't we just push the province a little harder, and make due with improved governance.

The answer is very simple. It doesn't work.

The changes we make, we make for ourselves. We can't change ourselves if we are still have no power over anything that matters.

In doing this, we change our culture from one of dependency to responsibility. We move from whining and complaining to organizing and executing. We move from a reactive community forever asking permission, or seeking information, or applying for a grant, or being extra polite so we don't endanger a grant to a proactive society where we make our decisions and live or die by the result. In short we move from plastic bears on mantel pieces to real bears who hunt and are hunted.

Today, as we speak, there are families walking away from their homes-from Atikoken to White River. Hundreds of other families are sitting on tender hooks wondering if they are next.

If we had transformed this economy 20 years ago this would not be happening. We would have a design culture not terribly unlike the Scandinavian countries rooted in design and a love of wood. there would be ups and downs but not a mass shut down because the dollar is up as is the price of energy .

Why can't we do the hard work to make this happen? It is in our hands and in our control to change our approach.

If change doesn't happen today with the people in this room then it will not happen again for a generation.

This week Frank Stronach who has hated unions all his life signed a memorandum of understanding with Buzz Hargrove the President of the Canadian Auto Workers one of the toughest most dogmatic union leaders in Canada. Buzz agreed to a no strike provision for the first three years. This is unheard of compromise on both parts.

They found common ground because the auto sector is melting underneath their feet and if they don't work together they will die apart. Buzz agreed to no strikes and Frank agreed to support them coming into his plants.

Surly the leaders of Northern Ontario can do no less.

Please go to www.rethinkingnorthernontario.org and contribute to the discussion of where we need to go.

Thank you for your time.

I am being especially brief this morning. I have taken the time to circulate to you a document called "Rethinking Northern Ontario". I hope you will take a look at it. It is part of an ongoing examination of various challenges we face in establishing _____?????. Please send in your comments to Rethinking Northern Ontario . Org.

The time is now.