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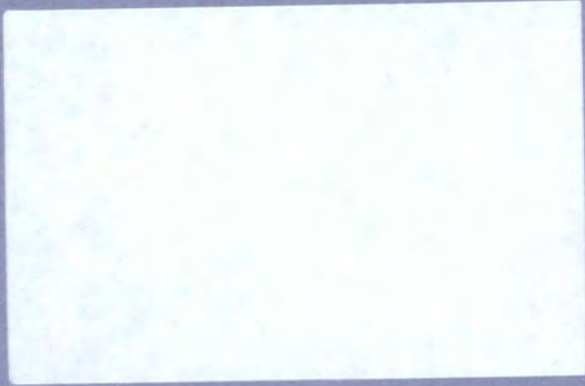
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The Conference on Economic Development in Northern Ontario



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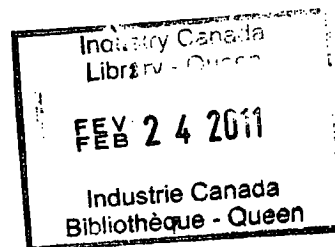
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Studies and Recommendations

The Conference on Economic Development in Northern Ontario

Timmins, June 27, 28 and 29, 1995

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ISBN: 0-662-23880-X
Cat. No.: C2-283/1995E

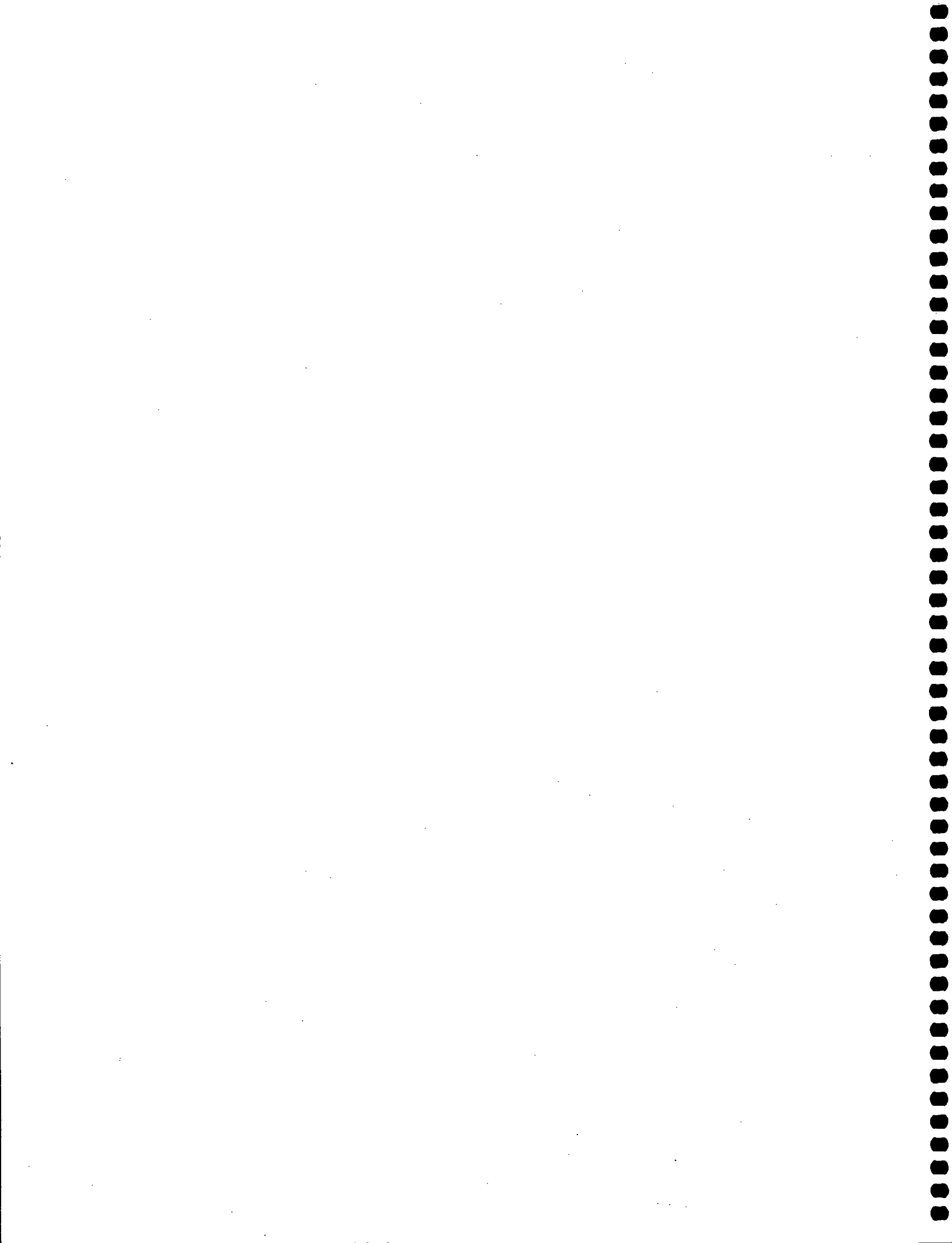
Acknowledgements

Industry Canada wishes to thank all the participants who provided valuable input to the Northern Ontario Economic Development Conference in Timmins, June 27, 28 and 29, 1995.

All conference participants can be proud of their contribution to the conference, which is an important step in the process of refocussing economic development activity in Northern Ontario.

A special thank you is extended to the conference Cochairs, Dr. Robert Rosehart, President of Lakehead University, Thunder Bay, and Mme Jacqueline Fortier-Guertin of Kapuskasing, and to the Timmins Economic Development Corporation for their commitment to ensuring that the conference ran smoothly.

Particular thanks go to our federal partners, Human Resources Development Canada, Indian Affairs and Northern Development Canada, and Natural Resources Canada, and to the Economic Development Networks of Northern Ontario, who helped to plan and implement the conference.



The Conference on Economic Development in Northern Ontario

Executive Summary

The Conference on Economic Development in Northern Ontario, held in Timmins at the end of June 1995, was organized by Industry Canada in cooperation with other federal departments and the Northern Ontario Caucus. Its primary purpose was to focus on the developmental needs of the region and to identify possible initiatives that could be undertaken to facilitate economic growth.

The conference was attended by more than 200 participants with an interest in the economic development of Northern Ontario. Participants included representatives of all levels of government, the private sector, the academic community and other interested parties. The federal government was represented by the Hon. John Manley, Minister of Industry, the Hon. Lloyd Axworthy, Minister of Human Resource Development and Western Economic Diversification, and the Hon. Ron Irwin, Minister of Indian Affairs and Northern Development. Also present was Joe Hare, Grand Council Chief of the Union of Ontario Indians.

The conference included panels on economic development and on access to capital as well as five concurrent workshops — “Community Focus in Economic Development”, “Economic Development Issues for the Rural North”, “Training: the Role of Institutions and Other Training Providers”, “Coordinating Government Programs and Services”, and “Information and Knowledge Exchange Through Networks”.

The panel on economic development included representatives of the three Economic Development Commission districts and three federal regional agencies — Western Economic Diversification (WD), the Federal Office for Regional Development in Quebec (FORD-Q) and the Atlantic Canada Opportunities Agency (ACOA). The representatives of the regional agencies reported that their organizations were increasing the attention being paid to small- and medium-sized enterprises, small business financing, investment funds, community-based initiatives, advocacy, strategic information and single-window access. They were also working to strengthen their capabilities for regional and local economic analysis as well as their partnerships with other players, including the private sector. The representatives of the Northwestern Ontario Development Network and Economic Development Corporation stressed that greater networking and cooperation among all economic development agencies was an essential prerequisite for creating a viable strategic vision that could lead to stronger economic growth in Northern Ontario.

The panel on access to capital was comprised of officials from the chartered banks, the caisses populaires, the Business Development Bank of Canada (BDBC) and the Northern Ontario Development Corporation (NODC). The panel reported that the chartered banks are paying more attention to small business lending, but that the high risks and small margins involved put limits on how much the banks can do in this area. It also noted that both the BDBC and the NODC are active in providing financial assistance to small businesses and to projects that are commercially viable but that cannot get private sector financing because of high risk. The caisses populaires were identified as offering an alternative, especially in terms of community-based financing.

Although the workshops dealt with numerous specific issues, several broad themes emerged that were repeated by many participants:

- There was strong and repeated support for a larger role for communities in decision-making and program implementation.
- Many participants saw an urgent need to **upgrade telecommunications infrastructure** throughout Northern Ontario if the region is to participate in the emerging, information-based economy.
- **Improved education and training** were identified as lacking, with a particular emphasis on the encouragement of entrepreneurship and business skills.
- There was general agreement that jobs and economic growth are created by the private sector and not by governments. The proper **role of government is to create a healthy environment** in which businesses can flourish and create employment and wealth.
- Many participants stated that **governments and departments should increase collaboration** with each other and other economic stakeholders in Northern Ontario in the development and delivery of programs and services. They must also **provide "single-window" delivery points** to streamline and rationalize delivery, as well as to improve service to clients and ensure greater coordination.
- Companies competing in the global economy were identified as requiring **better access to services and information** relating to markets, economic conditions and government activities.
- The **funded programs traditionally delivered by government are no longer feasible** according to many participants. They should be replaced with new, innovative approaches to economic development.

The cochairs concluded by noting the significance of the conference in bringing together a wide array of stakeholders with an interest in economic development in Northern Ontario. It was noted that the commitment displayed by all participants will provide a strong foundation for enhanced cooperation in meeting the economic development objectives of the region.

The Conference on Economic Development in Northern Ontario

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The Conference on Economic Development in Northern Ontario

Conference Agenda

Senator Hotel, Timmins, Ontario
June 27, 28 and 29, 1995

June 27, 1995

18:00 – 19:00 Registration
19:00 – 21:00 Welcoming Reception

June 28, 1995

07:30 – 08:30 Registration (continued)
Breakfast

08:30 – 09:00 Options for Economic Development
Harley McGee, Author, *Options Paper*

09:15 – 10:45 Five Concurrent Workshops:
Session A: Community Focus in Economic Development
Session B: Economic Development Issues for the Rural North
Session C: Training: the Role of Institutions and other Training Providers
Session D: Coordinating Government Programs and Services
Session E: Information and Knowledge Exchange Through Networks

10:45 – 11:00 Coffee Break

11:00 – 12:15 Panel Discussion: Economic Development

12:30 – 14:00 Lunch
Keynote Speaker: The Honourable John Manley, Minister of Industry

14:15 – 15:45 Concurrent Workshops repeated

15:45 – 16:15 Coffee Break

16:15 – 17:30 Presentations: David Corbière, President of Wabuno Fish Farms, Little Current, Ontario and W. Warren Holmes, President and General Manager of Falconbridge Limited, Kidd Creek Division, Timmins, Ontario

18:00 – 19:00 Reception

19:00 – 21:00 Dinner

Keynote Speaker: Joe Hare, Grand Council Chief, Union of Ontario Indians

June 29, 1995

07:30 – 08:30 Breakfast

Keynote Speaker: The Honourable Lloyd Axworthy, Minister of Human Resources Development and Western Economic Diversification

08:45 – 10:15 Concurrent Workshops repeated

10:15 – 10:45 Coffee Break

10:45 – 12:15 Panel Discussion: Access to Capital

12:30 – 14:00 Lunch

Keynote Speaker: The Honourable Ron Irwin, Minister of Indian Affairs and Northern Development

14:00 – 14:30 Closing Remarks: Cochairs

Introduction

**Speaking notes of Robert
Harley McGee**

I was asked, when introducing this subject, to pose a challenge to you for your task over the next two days — but Bob Rosehart did that last evening in a very eloquent manner.

You know what the challenge is. There have been many efforts over many years and many parts of Canada, including Northern Ontario, to come to grips with regional economic development. There is not much magic left out there. There are few miracles. If there were, then all of Canada from coast to coast would have felt rather self-satisfied applying these techniques. So, your challenge over the next two days is to shape an economic development strategy for Northern Ontario, bearing in mind the history of what has gone before. Your opportunity, of course, is the very existence of this conference, its being held over these two days, with a room full of people with a great deal of knowledge about economic development, and equally, a great deal of knowledge about Northern Ontario.

Both the opportunity and the challenge are also shaped by the fact that we are living in a changing national and international economic environment. We can take advantage of it — or we can be intimidated by it. I think what we need to do is to use what we already know intelligently, because the past does have lessons for the future. We should select those things that make sense and modify them if necessary: add to them, experiment with them, and learn as we go along.

I will try and give you some insight in the *Options Paper*. Rather obviously, I can't condense 52 pages in 20 minutes. But I will sketch a few options and a few principles. Certainly the basis of any approach to economic development in Northern Ontario, or any other place in Canada for that matter, is knowledge. Therefore, I see a need in the first instance for a permanent core: that core is going to provide industrial, business, economic and trade intelligence in addition to economic analysis, because if we don't know the make-up of the economy that we are working with, it will be very difficult to intelligently intervene in it. The core should maintain an expertise in all the sectors of the economic make-up of the region, certainly in the resource industry as well as manufacturing and processing service industries, small businesses, information technology, you name it. There should be a real "on the ground" knowledge of this subject matter. The core should monitor the skills make-up in the migration patterns in the region; it should be a repository of data and a referral of information; it should carry out business counselling and advisory service; it should certainly do

opportunity identification and seek out and try to provide remedies for constraints and impediments to growth.

You are aware that Federal Economic Development Northern Ontario (FedNor) was never given the mandate nor the resources to do this kind of task. So, this is an additional dimension, if you may permit me to call it that. In addition, if you are going to have all this knowledge, there is not much point without using it. As you know, knowledge is power: the Members of Parliament in this room today certainly understand that premise very well. If Northern Ontario wants to influence decisions taken outside its borders by governments or the private sector — or anyone else for that matter — it should be well-armed with facts, information and ammunition to back up its arguments. Without knowledge, you are not going to make much headway. Equally, knowledge should be shared and developed. Even though I talk about a core, it should be equally developed on a sub-regional basis.

This conference is charged with providing guidance and counsel to stakeholders, and developing a strategy for economic development in Northern Ontario. I see a series of strategies within a strategy framework. These strategies can be based on almost whatever you want: sectors, communities, skills, geography. They can stand alone as individual strategies or be subcomponents of others. It may sound complicated, but it really isn't. It can be facilitated by describing Northern Ontario as a series of economic development zones or districts. You may not be comfortable with that idea in the first instance. However, it greatly facilitates the development of on-the-ground strategies with on-the-ground information. And it certainly facilitates the implementation of those strategies once they are developed.

As a matter of interest, this is the principle that is being used to some degree in Quebec by the Federal Office of Regional Development Quebec, otherwise known as FORD-Q. Within these zones one would envisage providing or developing profiles of both the economic and social aspects of the zones. I would also suggest that these zones lend themselves to providing an inventory of everything that is now going on within them. This includes all the government activities, all the programs, and all the stakeholders — what they're doing, how they are doing it, and whether they talk to each other. Because again, if you return to the ideal of knowledge and knowing the economic base of the unit that you are working with, you should have that kind of information before you seriously think about intervening in the economic make-up.

The economic district zone concept really works very well at every level. For example, at the urban level, Timmins could be seen as an economic zone containing within it, within some radius of its centre, all of the activity that naturally forms around it. Another configuration is that of small urban centres and clusters of communities. If you had an opportunity to read the *Options Paper* there is some reference to the concepts of clusters of communities.

“Clusters of communities” really means a group in an affiliate association of communities, generally sharing common purposes and aims, and which develops common approaches to economic development. They should have reasonable transportation, communication and contact with one another. They also should think in terms of sharing a capital pool or those financial resources by which economic development is pursued. This level of activity is very community-oriented. It promotes on-the-ground programming in capability and responsibility and it continues the “single-window” concept in cooperation with everyone else that is practising economic development in the zone or designated region. It maintains linkages in all directions: backwards into the system, forwards, sideways, networking — whatever you want to call it. It provides on-site intelligence for economic development planning, both within sub-regions and in the region as a whole. A cluster could maintain the telecommunication centre for outreach learning, in addition to information retrieval and manipulation. It’s a good concept for stakeholders to consider supporting.

Then, there are the special circumstances surrounding the more distant communities and the northern part of this region. I think community clustering would work there if it is geographically logical. Telecommunications is the essential ingredient in any form of economic development work in the far northern part of this province. The community cluster ideal works very well because it permits the kind of networking that enables small, individual communities to learn from all the other communities within the system and the surrounding configurations.

Now, this is actually a very highly decentralized concept. All of the action takes place in the cities, in the communities, in the community clusters and on the ground. The core that I mentioned is only there to support the apparatus that really is doing the economic development operations. The core can be as large or small as you want it and can do as much or as little as you want it to do. In fact, it is in concept more decentralized than both the Atlantic Canada Opportunities Agency, (ACOA) or Western Economic Diversification (WD). As you know, both maintain major offices in each province for which they have responsibility. They have a limited number of sub-offices and they obviously interact with others that are operating in those areas. But they don’t have the same kind of linkages that I am talking about. The one that comes closest to it is FORD-Q in Quebec. That federal organization has sixteen districts in the province of Quebec: each has an office and each basically does the kind of thing I am talking about. They network with provincial agencies who also have a regional network, which the province of Quebec has set up. Actually, they have thirteen regions as opposed to sixteen — but they all interact and they interact very much at the community level.

Conversely, you could have a model without a core with no central repository of information and knowledge. Under this model, you would have each community across Northern Ontario designing its own economic strategies for its region, and accessing whatever sources of funding from corporations that they can acquire. Fortunately, with telecommunications they could continue to directly access sources of information across Canada, and indeed around the world, and they could certainly network with one another. One disadvantage to this approach would be the difficulty that Northern Ontario would have in speaking with one voice. I heard the frustration that those in Northern Ontario feel at not being able to express themselves as an entity as can their colleagues, ACOA and WD. With the telecommunication system, you might very well envisage an information overload — and information, perhaps, of the wrong kind. One of the functions for the core operation that I mentioned earlier would be a filtering, or screening, of information on behalf of all the rest of the organizations across the regional and sub-regional offices. This would remove a lot of extraneous information and provide the kind of information that one particular office might be looking for.

There might also be some difficulty in negotiating with other stakeholders outside your own borders or borders of the individual units. Perhaps there may be a risk that an individual operation on its own may not have the time to think about what is going on outside its own borders. The opportunities and benefits of being part of a more “structured” organization are that you could have a highly decentralized but structured system. That is, you could have a completely decentralized system that still has a lot of advantages in operational terms, but which may still possess certain disadvantages.

For those of you who had an opportunity to look at the *Options Paper*, you will notice that five options are outlined. It also contains some support documentation that I hope will be of use to you. You may want to raise it in the workshops over the next day-and-a-half, because much of the subject matter corresponds to the titles of the workshops. In any case, notwithstanding the model selected — or the one that you might recommend or that is eventually decided upon — I think there are half a dozen or more given that I would not really call “options”. I have already spoken about knowledge. It implies the skills required to use that knowledge, manipulate it, interpret it and do whatever else you want to it. What I mean is this: skills go with knowledge. The telecommunications centre system is an essential ingredient in this day and age. The single-window point of entry for people in businesses and institutions that is much talked about — and overworked, I think — is still another essential ingredient for economic development in Northern Ontario.

The business service centres, the Community Future Development Corporations (CFDCs), community-level organizations and commissions are all candidates to perform that function. But I am thinking of the function being performed in a more uniform manner than many that are carried out today. It is much more than a referral service where you find information. I am thinking of bringing it altogether in one place with the skills required to provide useful information on-site. The data must be written by people who have the skills to do so — and that's going to be much more difficult to make happen than it is to talk about.

I draw your attention to the financial incentives section in the *Options Paper* because as you know, it is a much abused and misunderstood area of economic development. I say in the paper that passive, or responsive, programs (which are the kind that you put out there with some eligibility criteria and then wait for somebody to come in and make application under them) don't work very well. So I suggest a proactive, targeted, highly selective use of financial incentives and that includes those for the small business community as well as the large. Having said that, one must recognize the special considerations of various small communities in the far North where economic opportunities are scarce and where, if I can put it this way, "something is better than nothing". It may be that financial incentives will be an essential ingredient of some strategy rather deliberately shaped in that way. But other than that, financial incentives, as I say, will be used in a proactive, deliberate way, measured against a set of criteria that you will have determined under the strategic framework.

Another area that everyone is talking about is training and skills upgrading. With small business, there are so many programs and so many incentives that I cannot help but believe that they are not particularly well-served or well-used. And I don't mean that happens on purpose. I mean, there is a lack of an inventory of real needs and an inventory of what everyone else is already doing. There are some very deliberate decisions to be taken as to a more targeted, more proactive use of training programs. I don't think generic training programs work very well. I don't think it does very much good, for example, to take an individual who, unfortunately, has been laid-off for whatever reason, and give him or her a six-week course on being a small businessperson or an entrepreneur and then turning that person out on the street. They are not going to be an entrepreneur. There must be a targeted market for entrepreneurs along with everything else.

Everyone in this room knows, I am sure, that one does not set aside the fact that the resource industry of Northern Ontario is a continuing anchor of its economic stability. Diversify by all means, but don't be mesmerized by the statistics and the claims made for small businesses and service industries. If you are going to focus on this area, focus on knowledge-based service industries, because a great many of the rest are tenuous at best as to their longevity and require a very close focus.

I will say only one more thing. If you are going to have a strategy or an economic framework, give it time to prove itself. During the conversation last night, I noted a high level of frustration because many operations in Northern Ontario are not being given time by their sponsors, or wherever else they originate, to prove themselves. There are a lot of stakeholders in Northern Ontario. All must realize that time must be given to let these experiments work. This is going to have to be an unflagging commitment on their part if the economic development strategy that eventually emerges is going to have any chance to succeed.

The Conference on Economic Development in Northern Ontario

Speeches

Speaking Notes for the Hon. John Manley, Minister of Industry

(Introduction by Mr. Victor Power, Mayor of Timmins.)

It is always a great pleasure to be in Northern Ontario. I must say, being from one of the large cities — from Ottawa — I am always envious of my colleagues, like Peter Tallheimer, who is from a smaller community, because it is always easier to get media attention in a smaller community. Sometimes that is not always desirable, but in a bigger city like Toronto or Ottawa, sometimes it is hard to do. That means that even with a ministry as broad and far reaching as the one that Vic described to you, not everybody knows who the Minister of Industry actually is.

Let me give you some examples. The other day I received an envelope in my office from one of Canada's major corporations. I will not name it because there may be representatives in the room. They sent me their financial results. It was addressed to the Honourable John Manley, Leader of the Reform Party of Canada. Not a good way to start the day.

Later that day, I went to Toronto because I was giving a speech the next morning. I arrived at the Royal York Hotel with an assistant and walked up to the desk. The girl behind the desk looked at me and said, "Do I know you?" For a boy from the Ottawa Valley being recognized at the Royal York is like hitting the big time.

"Well you might", I said. "Have I seen you on television?" she asked.

"Well you might have," I said. Then she replied, "Aren't you Bob Rae?"

This is true. But, I absorbed that well enough. Then there was the time I was at a dinner at our Embassy in Washington and the placecard said: the Honourable Michael Manley. I worked on my Jamaican accent, but I never did carry it off.

More recently, I had the honour of my first demonstration. You don't get many demonstrations as Minister of Industry. Alan Rock is used to it, but for me it's kind of rare. I was in my office when I heard some noise. I looked out of the window, where I could see the front door of the Confederation Building. (If you know Ottawa, it is at the end of Bank Street right on Wellington.) There was a big crowd. Some were yelling and there were loud speakers and signs and so on. I asked one of my staff what was going on, so they went down to check. It was a demonstration against me. Evidently the head of the Canadian Auto

Workers had requested a meeting with me and we had not replied yet. I later learned that he sent the request by mail and Mr. Dingwall was storing it for me while it was on its way. Later on as I made my way to Question Period — I usually walk to the House as it's not very far — I was thinking that the demonstration was down at the other office, and it was too bad that I missed it. I was walking with Mark Garneau, the astronaut who was going to be introduced to the House that day. As I headed up the steps toward the Centre Block, one of the security guards said that there was a group of women waiting for me outside the Parliament Buildings and that they were demonstrating. Normally this would not have been a problem for me — it doesn't happen that often — so I asked him what the demonstration was about. He said he didn't know, but that they were stopping all the men going in and asking if their name was John Manley. So, I'm glad to be in Northern Ontario, in Timmins, where I have the Mayor actually introduce me. I feel that you will recognize me at least until I am finished speaking.

I do have a few serious things to say to you and I will get on with that. But first I want to say how pleased I am to have some of my cabinet colleagues here. I see Diane Marleau and Ron Irwin, who is taking notes. You'll hear from him later.

I am pleased that we have brought this meeting together. I was in Timmins only a few weeks ago to meet with members of the tourism industry and to describe the mandate and direction of the new Canadian Tourism Commission. The Commission marks a new partnership for the promotion and marketing of Canadian tourism, involving industry and all levels of government.

Northern Ontarians will play a full role in the development as well as the implementation of these plans — and we discussed how to do that. Today I am here to show the ongoing support of the federal government for the work involved to create a broad economic development strategy for Northern Ontario. One that will include tourism while encompassing all aspects of economic activity in the North.

When I was here last month, I was impressed by the desire of those in the tourism industry — both the public and private sectors — to work out cooperative approaches to business development and to find practical, cost-effective ways of combining efforts and financial resources. I know that many of you are already aware of the value of cooperative approaches and I expect that you have many good ideas to contribute to this conference. I think that the commitment of the federal government to developing cooperative solutions is evidenced by the participation in this conference, not only of Diane Marleau and Ron Irwin but also of Lloyd Axworthy, Minister of Human Resource Development, who will arrive later today.

Of course, the main reason we are here is due to the efforts of the federal Liberal Members of Parliament from Northern Ontario. These twelve individuals have been tireless in urging the government to address the challenges and opportunities for business in the North. I think all of them are here today. They have been persistent, sometimes more persistent than we would have liked, in presenting the Northern Ontario point of view in Caucus and in Cabinet, and have been instrumental in the planning of this event. Their work on behalf of the people of Northern Ontario illustrates the effectiveness of identifying realistic, shared goals and of following a coordinated plan to achieve them. The planning of this conference, in fact, began with the Northern Ontario Caucus very soon after the federal election in November 1993.

It is our challenge, yours and mine, to draw our many interests and concerns into a cohesive framework so that we can move ahead to our ultimate objective: a coordinated economic development strategy for Northern Ontario. This strategy must build upon the increasingly diversified strengths of the near North and address the special needs of the far North.

We do not begin this process without assets. While the resource sector remains dominant, there is a growing number of jobs in non-resource manufacturing areas, including printing and publishing, fabricated metal and machinery, and transportation equipment, for example. The tourism sector employs some 25,000 people — about one fifth of employment in Northern Ontario — and has become an important source of wealth and job creation in the regional economy. The transportation infrastructure provides basic connectivity within the region. The information highway is extending its reach into the region through the telecommunications infrastructure.

Realistically, however, there are challenges to face as well. A variety of factors have led to a relative decline in direct employment in the resource sector. During the past decade, primary industry employment declined from 42,800 in 1985 to about 25,000 in 1994. The analysis that I have seen indicates that this trend is going to continue.

And let me emphasize that we are not here as federal Ministers to bring you “made in Ottawa” solutions or to provide you with prescriptions for the future of the North. We are here to help in the search for innovative approaches and to show our support of the process of consensus-building among the key stakeholders in the Northern Ontario economy. While I am not going to stand here and tell you what you should do, I do want to give you an overview of federal government economic priorities as a backdrop to your deliberations.

First, and perhaps most obviously, we are living in changing times, both for government and business. The international trading environment is opening up and competition is tough. Our resource companies are well-aware of this. Technology is spreading throughout the workplace and the pace of technological change is increasing. Technology is changing the shape of the work-force, the nature of work itself, as well as the way we do business.

New sectors are emerging as the growth areas in today's economy. Information technology and the environmental technology industries are good examples. Tourism has become an "industry" and not just a set of cultural or recreational pursuits. Small- and medium-sized businesses are leading the way in terms of innovation and job creation. During the 1980s, small- and medium-sized businesses in Canada were responsible for 87 percent of all new jobs created. Since the last recession, they have accounted for 100 percent of the net new jobs created.

The Aboriginal business community is emerging as a player in the mainstream economy and is contributing to employment, tax revenues and other benefits to the country as a whole.

On the fiscal side, we have set tough budgets and we have committed to firm targets for deficit reduction and debt management. Last February, the Minister of Finance introduced a budget that will cut \$29 billion over the next three years. This is the largest set of budget cuts since Canada demobilized after the Second World War. It is not particularly fun to administer cuts when you are in politics, I can assure you. But the time had come when decisions had to be taken and we have shown a willingness to take them.

We also undertook, at the same time, a thorough review of federal government administration and spending in the non-social program area. Our three objectives were:

1. to get government right;
2. to ensure that taxpayers were getting value for money; and
3. to encourage Canadians to work towards building a more innovative economy.

The result of all this has been a major change in our approach to industry sector development as well as in the role and function of my department — Industry Canada.

The February budget cut Industry Canada's funds by 43 percent over this and the next two years. In addition to the budget cuts in dollars, that includes a lot of people who work in my department, some of whom live in my own constituency. This is tough politics. But it was necessary for us to take these actions. Of some 54 business support programs in my department only 11 remain, and some of these are subject to ongoing review.

But we have not abandoned our role as the lead department for business in the federal government. My department continues to be the principal advisor on micro-economic policy. We continue to advocate strategies that, we believe, will enhance economic growth prospects through innovation and an improved competitive position for Canadian business.

Industry Canada has responsibility for setting the rules of the marketplace. We work to ensure that consumers and businesses benefit from a marketplace that is fair and efficient and that encourages innovation and competition.

A good example of this kind of innovation is the EnviNet BBS — an electronic information source that has been developed by Industry Canada in cooperation with the environmental industries. EnviNet is a 24-hour a day service providing sector-specific information about domestic and international markets, education, financing, legislation, research, technology and trading. We will be launching many similar, sector-specific projects in the near future.

A key element of our continuing work to support the development and growth of Canadian business is an emphasis on cooperation and shared financial participation among the various stakeholders in an industry sector.

A case in point is FedNor. The federal government has recognized the importance of maintaining a supportive environment for business development in Northern Ontario. It has extended the FedNor program based on a budget of \$63.7 million over the next three years.

In a time of severe fiscal restraint — and you have heard me describe the level of severe cuts in my own department — \$63 million is a significant commitment for the federal government to make. And I want to stress for you that this is, almost entirely, new dollars. The FedNor program framework was due to sunset this year. So the money that flows to FedNor, as a result of the decision of the Prime Minister, is a product of the hard work and cooperation of the Northern Ontario Members of Parliament.

But make no mistake about this: FedNor is not a hand-out program. FedNor is refocussing its support program on repayable contributions and cost-shared partnering initiatives to benefit industry sectors. FedNor will increasingly focus on support for initiatives such as:

- working with the Northern Ontario Travel Associations on a three-year cooperative marketing program to raise the profile of Northern Ontario as a vacation destination in the United States;
- working with the Connections North Trade Show, held in April, which gave more than 150 Northern Ontario businesses a forum to show their products to potential buyers from Canada and the United States;
- working with the Bi-National Regional Initiative Developing Greater Education Inc. (BRIDGE Inc.) to identify new commercial opportunities arising from the research work of the Forest Pest Management Institute (FPMI) in Sault Ste. Marie; and
- assisting 75 Northern Ontario businesses to implement Quality Management Programs to meet the International Standards Organization requirements (ISO 9000).

These are examples of the kind of activities we should pursue. We need projects to mobilize local groups to work together, projects that promote technological innovation and application, and projects that will help businesses reach out to international markets and meet international standards.

A clearly successful partnership has developed between Industry Canada, through Aboriginal Business Canada, and the Aboriginal entrepreneurs and organizations in this area. While funding for Aboriginal Business Canada has been reduced, consistent with our overall program reductions, we are focussing our efforts on four key strategic priorities:

1. trade development and market expansion;
2. Aboriginal tourism opportunities;
3. science and technology development and diffusion; and
4. Aboriginal youth entrepreneurship.

There are many examples of business leadership and achievement by Aboriginal people in Northern Ontario. There are large aquaculture projects, forestry harvesting and management projects, and ecotourism initiatives. Add to this mini-hydro projects on reserves and traditional lands, and some award-winning exporters.

On this last point, I am referring to Advanced ThermoDynamics Corporation (ATC) of Sault Ste. Marie, a joint-venture between the Batchewana Indian Band and other partners established with support from the federal and provincial governments. ATC, a manufacturer of generators, air conditioners and heaters for the transportation industry, succeeded in winning a demanding National Defence contract. That success helped the company establish a track record for quality and to win contracts in the U.S. market. That market is expected to account for more than 80 percent of ATC's projected \$8 million of sales in 1995. This is an example of what it is we are trying to achieve.

The Aboriginal business community is demonstrating its ability to develop innovative solutions to the challenges of economic development — including here in Northern Ontario. The challenge for you — and for us in working with you — is to find ways to maintain this momentum, even if government's long-standing role in providing direct financial support to business is diminishing.

I am not speaking only to the Aboriginal representatives in this context, but to the wider private sector, to the financial institutions, to the educational community and to community leaders. We need to look for opportunities for creative investments and partnerships which have the potential to reap significant benefits for all players.

Technology and innovation are also keys to creating competitive advantage in all industry sectors. Right here in Timmins, there is Vianet, a division of Via Computer and Communications, which is providing Internet access services in Timmins, Sudbury and North Bay. In six months, Vianet plans to expand its services to Kirkland Lake, Kapuskasing and Sault Ste. Marie.

Timmins is also home to Mikro-Tek Labs, a three-year-old company doing biotechnology research and development to produce fungi and bacteria that enable trees to thrive in harsh sites such as mine tailings or nutrient-poor soils. The company already has clients in Ontario, Quebec and Ohio. The potential for application of this technology around the world is virtually unlimited.

Another challenge facing the North is to improve the climate to create and grow small- and medium-sized businesses. An important aspect of this will be access to capital and the harmonized use of government programs. The federal government has been hard at work on this front. We've raised the ceiling on the Small Business Loans Act program from \$4 to \$12 billion. Last week in the House of Commons, we passed legislation on the Federal Business Development Bank (FBDB), which will become the Business Development Bank of Canada.

Thanks to the changes in the legislation, the federal bank will be better-positioned to complement private sector lenders by filling gaps in the financing of innovation and small firms in the new economy. FBDB will no longer be the lender of last resort. It will be a complementary lender to fill gaps that the traditional lenders are not meeting. So you won't have to stagger into the door having been beaten up by your banker to talk to the FBDB in the future.

The challenges of government fiscal restraint and technology-driven globalization require that we adapt new approaches to problem-solving and, in many cases, change conventional ways of thinking. I hope that this conference is a launching point for the development of new approaches/partnerships to meet the economic challenges that face not only Northern Ontario, but that face all of Canada today.

The conference agenda and your discussions should move us toward a two-fold objective:

1. to identify a viable economic strategy for the region; and
2. to identify how the strategy can be implemented in a collaborative manner among all the stakeholders.

And while the conference provides a visible focal point for people and ideas, it should also be seen as one step in a continuing process. A good deal of work to identify the challenges and opportunities and the strengths and weaknesses of the northern economy has already been done.

There is the report of the Ontario Federal Liberal Task Force, chaired by Andy Mitchell, MP, Parry Sound-Muskoka, entitled *Access to Capital by Small Business in Ontario*. There is the Harley McGee *Report on Development Options* which you heard about this morning. And there is the Goss Gilroy Report, *Consultations with Northern Ontario Business Leaders*, that took place earlier this year. This report highlights the need for a more coordinated approach to business development efforts — by both the public and private sectors — and we have taken special note of its context.

When you study these various papers you should not forget two of our basic objectives: first of all, the need to build on our strengths and to identify where our best opportunities for the future lie. This means that we cannot continue to prop up businesses that are not working well. Secondly, we need to realize the broad benefits that can be obtained from collaborative approaches — the fact that “the whole can be greater than the sum of the parts” in a properly planned and implemented economic development strategy.

I don't expect this conference to produce a comprehensive plan for the development of the Northern Ontario economy. But I would like to see at least three things from it:

1. confirmation that the issues identified on the agenda are the ones we should continue to work on;
2. a shared vision for the future economic direction of Northern Ontario; and
3. on a preliminary basis at least, identification of appropriate partners and a means of harmonizing resources and efforts toward meeting this shared vision.

This is a time of change, but also of opportunity, of new direction and of working together. Northern Ontario has many natural advantages and much to work with, the foremost being a hard-working, resilient population. Your presence here shows that you are willing to accept the challenge of adapting to economic and technological change and that the process toward building a more innovative economy in Northern Ontario will continue.

As an example of that, I urge you to stop by the SchoolNet demonstration just outside the door. It is a project we in Industry Canada are especially proud of. Through SchoolNet, all schools and libraries in Canada will be connected to the Internet by the year 1998. I might add that this is two years before a similar goal is expected to be achieved in the United States. That is not too bad for Canada.

I am pleased to be here to be part of this process of economic development in Northern Ontario, and I want to assure you of my continuing support for your work.

I conclude with some words from that renowned philosopher Pogo who said: "We is surrounded by insurmountable opportunity".

Thank you very much. Good luck.

**Speaking Notes for Grand
Council Chief Joe Hare,
Union of Ontario Indians**

(Introduction by Mr. Ed Lyon, Traditional Healer.)

Good evening everybody.

I want to thank my good friend Ed Lyon for the introduction. I didn't know that he was going to say all those good things about me. I didn't realize that I had done all of that, but it was nice to hear what he said about the work that I have done over the years. I haven't known him quite thirty years but pretty close to that. I won't tell you very much about myself, but I do want to make some comments about the community where I was born and raised.

As Ed said, I come from Manitoulin Island. Translated in Anishinabek, that means the Island of the Creator. Those of us that come from there are very proud of that place. It is said that Manitoulin Island is a sacred place. Many years ago, when important people, chiefs and head men and councillors died, the people from the surrounding area would bury them there. So there are many sacred places on Manitoulin Island. I also want to let you know that the Indian people have been there for many, many years. If you travel through a community called Sheguiandah you will see a sign that points out a historical dig which has been taking place for some years.

The anthropologists tell us that our people have lived there for 9,500 years. By any measurements that's a real long time. I say that because I want to reference the fact that Indian people undeniably were the first occupants of that territory and of all the territory that we talk about today, the near North and Northern Ontario. It is an undeniable fact. There were also substantial numbers of Aboriginal people, or what I call First Nations people, that lived in these areas. So there had to be community customs and traditions and practices as well as forms of government then. These people must have governed themselves and had control and influence over their affairs; that, too, is undeniable. So that's where I come from and that's a very short history of Manitoulin Island and the area.

Before I talk about the main topic that I want to raise with you, I want to make some other comments. I hope that everything you talked about is going well, and I hope we all come out winners here. We didn't pick a winning party at the last election, and I see all the Liberals around here so I think they had better deliver.

I am glad of the opportunity to speak to you this evening, although I have to tell you I had a hard time getting on the agenda. I want to thank Nicki who works with me for trying so hard to allow me to speak at this conference. I want to play it like the Ministers, I want to get up at the front and say my piece and then leave town. So here I am. We are often ignored, but I thought that it was important to speak because I read in the Sudbury paper that a living document will be produced here. It will be the document that guides the economic future for Northern Ontario, so

that is why I came. I hope the comments that I make this evening will be taken to heart and that in fact we will be able to accomplish a number of initiatives by working together.

Before I go on, I also want to explain that the Anishinabek Nation is comprised of many tribes. I work with forty-one First Nation communities and together their chiefs and councils and those communities make up what we refer to as the Nishnawbe-Aski Nation. In this particular area, you have the Anishinabek Nation and the Grand Chief for that organization is Grand Chief Charles Fox. He could not be here today, but I checked with his office to make sure that he would not object to the things I say, so I am on safe ground.

Many of you know this because I see quite a number of familiar faces who I've worked with. During my twelve years as Chief, I've run into many of you. I don't know whether to consider you my friends because every time I took a proposal to you, you said no.

One year ago, I was elected by the Chiefs to represent them. My title is "Grand Council Chief". So I work on behalf of the Chiefs when they are not present at meetings such as this, and I speak on their behalf. However, when a Chief is present, I am not speaking for the Chief of that particular community. I think it's important for you to understand the representational process, because many times Ministers and government departments recruit Indian representatives to sit on committees and so on. Sometimes there is a mistaken belief that the person recruited represents the point of view of the First Nations communities. It's important, therefore, that you contact the Chiefs so that they can officially appoint a representative and that representative will speak on behalf of the First Nations people.

Also, I only speak for First Nations people other than other Aboriginal people referred to in the constitution as people. They have their own political process, so I don't speak on their behalf. I guess that's all that needs to be said about "representation".

Coming up from North Bay this morning I picked up a newspaper; it had an "astrograph" on your future by the stars. For me it said: "it might be necessary to act a bit more active today and collect on a debt. It said: "try to make your presentation without generating ill will". This is true.

I would like to talk about how the Chiefs that I work with want to go about developing their communities and making life better for the members of those First Nations. They want to do this through the creation of Traditional Land-Use Area Management Authorities. We want to create one for the area called "Robinson Huron" under the Robinson Huron Treaty of 1850 and we want to create one for the "Robinson Superior" area, again under the treaty signed with the Crown at the same time in 1850. So, I speak of two treaty areas, the Robinson Superior Treaty area and the Robinson Huron Treaty area. We look to

these traditional land use authorities as a way of forcing recognition of the long outstanding entitlement to lands and resources of this area.

Both the Robinson Superior Treaty and the Robinson Huron Treaty guaranteed a proportional share of resource revenues to the First Nations of these regions. Even if certain First Nations in these areas were not party to the treaties, they too have an inherent right to the resources of the territory by virtue of their first occupation and ownership. I want to put it a little bit more bluntly. The First Nations are demanding a share of the resources of the territory because it is they who have proportionate sharing rights of the resources that have virtually created the economy of central and Northern Ontario. It is obvious that had this commitment been upheld, the First Nations would be prosperous and thriving communities playing an essential role in the economy of Northern Ontario and the mainstream economy today.

The treaties specifically refer to a sharing of the resource, and I want to read for you that particular section in the treaty that refers to this. About payments and annuities, it says: "Such further sum as Her Majesty may be pleased to graciously order the annuity under the treaties is \$4.00 a year". So you can see Her Majesty has not been very gracious over the years, and we want to turn this around and we want to do this with your help. I want to tell you about the Declaration that we passed in our Assembly. I will read it to you because I think it's important for you to understand and to know where we are coming from.

The declaration says: "We are the Anishinabek Nation, we have occupied this territory since time immemorial. Our Creator placed us within our traditional territory to live in harmony with the resources, waters, air and wildlife. We have always exercised our authority to govern ourselves and to manage our resources. We have always exercised this authority with the understanding of our role to respect and protect our resources, lands, waters, air and wildlife. We signed treaties with foreign governments as a sovereign nation to live in harmony with other nations. We have never, and will never concede our perpetual interest in our territory. We reject the unilateral imposition of other Government policies and laws within our territory."

We are reasserting our perpetual presence and interest over our resources, lands, waters, air and wildlife. Finally, we insist that our laws, governing our activity, be initiated within our territory that may in any way impact on the resources. So, that is the message that I bring to you. We want to ensure that we can enter into arrangements with the other parties, other people, other groups, companies and governments that are interested in getting benefits from the resources. When I say resources, I talk about tourism as well, because I think tourism is very much connected to this part of the province.

I want to mention, briefly, the responsibilities that we have identified for ourselves under the traditional authority system. We want to ensure that the interest of the First Nations of the Robinson Superior and Robinson Huron area are protected. We want to negotiate the positions of the First Nations with the federal and provincial governments. We want to be part of the management of all the resources and we want to ensure the preservation and protection of the environment.

I also want to briefly mention the benefits that could be derived out of the partnership that I suggest. The intended goal is to create benefits for the First Nations communities. This can be done through the formation of development agreements between the traditional authorities, various levels of government and private industry for the purpose of securing the following benefits.

Training opportunities — we think more training opportunities ought to be made available to First Nations people. We want timber allocations and various types of harvesting licences. We don't get these now: instead we get what is called third party licences, cutting licences. The big companies get first crack at licences and I want to tell you that we don't think that's a fair way to give the citizens of Northern Ontario an equal share in what is there for us all. So we want to change that. We want to look at royalty revenues and we want to increase the annuities where appropriate. Four dollars is not enough ladies and gentlemen and I am sad. I shouldn't be using that word but I want to tell you that we want to make sure that these are increased. We want revenues from taxes and permits whenever applicable. The areas that we want to get involved in are as follows: water — water is an important commodity. Developments related to water include marina development projects, waterfront projects, cottage lot development, wilderness areas and so on. Also, there are the small hydro development projects: we have a few of them; we don't have enough.

There is revenue to share from taxes generated from water rights. When Ontario Hydro dams up the Nipigon River, they have to pay so many millions of dollars a year to the Ontario government for the use of the Lake Nipigon water.

But for thousands and thousands of years, First Nations people have lived around Lake Nipigon. When the dam was constructed, the water level went up, and some of them had to move because they were situated near the shore. The cemeteries, where they buried their people, were flooded. To this day, bones wash-up on the shores of Lake Nipigon. The people there are angry, and rightly so. They are saying that this is the water that they have always used, but they don't benefit from the use of the water by other parties, in this case, Ontario Hydro.

Talking about fishing licences, they have fished there throughout history, thousands and thousands of years. Yet now it's very, very difficult for those First Nations communities to get an adequate fishing licence.

Forestry — I mention forestry because it's a big industry in Northern Ontario and we want to get involved in it.

Mining, hunting, fishing, silviculture, tourism, gas, zoning, Crown land, parks, aquaculture and aggregates in all of these sectors — we are demanding to become involved. We want to share the resources, because there is no reason in the world why this should not be done.

So that is the message I bring you. I think parties to the agreements we want might well include Ontario Hydro, the Ministry of Northern Development and Mines, the Ministry of Natural Resources, private companies, and of course the federal government.

We have done considerable planning and we want to work with whoever is identified to play leadership roles in developing the economy of Northern Ontario. I wonder if it will work. The answer has to be in this room with the many representatives here, and, of course, the politicians.

I have described very briefly the way we want to work with you and the process that we want to use. I hope that you respond positively. It's important that you do, because many of the people that I work with are thoroughly frustrated and fed-up. They asked me to organize peace keepers for the purpose of bringing to the table any party that does not want to cooperate. We talk about protests and we read about them in the paper every day. I guess if things get worse, we talk about blockades and we talk about harassments. That seems to be the only method for now that forces people to come to the bargaining table to negotiate. Protests work for us, you have not seen very many in Ontario, but you'll see more if we are not able to work together. The road blocks in British Columbia which were reported in the *Globe & Mail* in June, described seven native road blocks and more being contemplated. It's going to be a long, hot summer in British Columbia.

The co-management arrangement that I speak of is not new. They have been entered into by First Nations people with the government, for example, in Saskatchewan as well as in Manitoba. Closer to home, with the Anishinabek people, a core management agreement is in place in the northern area.

I want to emphasize that the only reason these management agreements have been put in place is because First Nations people had to show their anger first. I don't think that's the way it should be. We talk about sharing benefits, particularly in this region. I want to tell you that sharing agreements work, they have worked very well in those places where the parties have sat around and discussed ways and means of working with each other.

These are notes from the Department of Indian Affairs that I have stolen from your office, Ron, so you can back them up. I begin with the Northwest Territories, the Beverly and Kaminuriak Barren Ground Caribou Management Agreement. There was an agreement made there to take care and manage the caribou crisis. Eighteen communities were involved and they managed the herd very well. It was one of the very first co-management agreements signed in North America.

I want to briefly read this so you will have an idea of how this particular agreement worked. The agreement created a board composed of thirteen members, two members represented the federal government while three represented Manitoba, Saskatchewan and the Northwest Territories respectively. The remaining eight members were the representatives of the traditional caribou users and had to be residents of the communities in the caribou range. This was in 1982. By 1991, the size of the herds and their productivity was very satisfactory. Whereas before there was a caribou crisis, now there are no immediate threats to the diminishment of the caribou population. The board created an atmosphere of mutual recognition, tolerance and understanding. Caribou is no longer seen as a high profile political problem for governments and the board is recognized as an important reason for this. Caribou users feel they get more respect and are better understood by the government because of the board.

I know we don't have caribou in this area, but we do have moose, and I don't know how many of you are moose hunters but sometimes when you walk through Northern Ontario you will see a sign that says: "Save a moose, Shoot an Indian".

It seems to me that when that kind of bad feeling exists, we need to come together to manage the moose herd in Northern Ontario together. I don't know how many of you are members of the Ontario Federation of Anglers and Hunters, but I hope there's someone here that can take this message back to your organization.

In 1981, as another example, the Stuart Trembleur Lake First Nation created Tanizul Timber Ltd. as its business arm in forestry matters. In 1982, the provincial government awarded this timber company a tree farm licence for twenty-five years. This timber company of the First Nation operates its tree farm licence and the terms of its tenure under provincial laws. It has the scope to develop and carry out working plans which are approved by the provincial governments so they are not an

outlaw group. The operations under this arrangement provide employment for between 75 and 125 people annually, depending on the volume of timber harvested and the amount of reforestation carried out. In the first five years of operation, Tanizul Timber Ltd. organized training for 90 individual band members. I don't see any reason why we can't enter into these kinds of arrangements in Northern Ontario with governments, federal and provincial, and with the big forest companies in the industry — Domtar and Buchanan and so on.

I want to give you a third example, it's the Meadow Lake Tribal Council. For those of you who watch television, there is a program on Sunday nights called "Ventures". This example was featured on that television show. I won't go into the success of this particular arrangement with the Meadow Lake Tribal Council, but it has become a major forest company. Last year, the Meadow Lake Tribal Council Co-op enterprises paid in excess of four million dollars in taxes. The Co-op has over 100 full-time employees.

The conclusion we can draw from these examples are pretty obvious. I want to conclude by making some very simple recommendations based on what I have explained to you. I think for these management authorities to work, they need support from the federal and provincial governments as well as industry. So somehow, if you can go back to the place where you are working, to the job that you do, and if you can make that recommendation, I think we would have taken the first, or perhaps the second step. I think we took the first step by forming the authorities.

My second recommendation is for the government of Canada and the province to finally set up a Northern development authority which will focus on what we have or will come up with at this conference.

My third recommendation is for FedNor to put some money into these authorities. I know that Mr. Manley spoke today and he said a lot of good things, but I think you know the programs he described are not quite the programs that the First Nations can best utilize. The one that we can make good use of is what I have described to you as the Traditional Land Use Authority. I also want to add that this is not the only solution — this is the recommendation. I bring to you a major recommendation from the Chiefs and Councils of the Anishinabek nation and I know there are many other suggestions. I say finally, create an authority for Northern Ontario. This was suggested by a Royal Commission report on the northern environment which was initially chaired by Justice Patrick Hartt, and Mr. Falghren, Commissioner, took over when Mr. Hartt had to quit (for reasons I do not know). But the report was eight years in the making. We are here for three days, and maybe we are smarter than these guys, but what I have said to you is contained in this report. In fact it's much stronger. On the very first page, it says that the commission recommends that Indian people be given priority in the establishing of tourism facilities and enterprises on Crown land, in the North. When I read these recommendations I said: I

wouldn't hold my breath. It's a good thing I didn't. I will tell you something else they said; "... that the government of Ontario grant Crown land to Indian communities for their use and benefit and eventual ownership, and that these be for their use of the present and future residents". This guy said: "give some land back to the Indians". Some of the Indians that I represent live on one square mile of land; one square mile. There was a presentation made here by Sucker Creek; that's a very small community: I think it's one square mile.

Anyway, there are a lot of recommendations here but the one that I want to tell you about is that the report recommends the formation of a Northern Ontario development authority, the very same kind of authority that we are developing today. The only difference is that we are doing it.

Since 1985 the government has failed to act. The Premier at the time was Mr. Bill Davis. The province has come full circle here. There is another little document that says "The voice for the North", a report of the Mike Harris northern focus tour. It does not say much about Aboriginal people, but let me tell you what it does say: "Natives concerns will be reflected in making new policies for the North, perhaps through an advisory council or similar body." That tells me they don't quite know what they need, but they know they need something.

So there is a window of opportunity here for us all to make a unanimous and strong recommendation to the new Minister of Natural Resources, Northern Development and Mines, that he act on the establishment of the Northern Development authority.

We also want to be able to have counterparts to work with. The Ontario Native population has been marginalized in many ways, leading to tension and social problems in both native and non-native communities. We hope to break this cycle through fair and inclusive treatment that recognizes those communities as equal.

So I come back to what I said earlier. The First Nations of this region, including the Anishinabek communities, are not asking for something special over and above what the rest of Northern Ontario enjoys. What we ask for is equal consideration.

I am sure that out of the deliberations here, that's the kind of consideration that will emerge. Those are all of the comments that I wanted to make. I want to come back to my horoscope that said: "I should not cause anybody any ill will" and I hope that I have not done so. It is just that I want to tell you what the thinking is of the First Nations people in this region. Meegwetch! Thank you.

**Speaking Notes For the
Hon. Lloyd Axworthy,
Minister of Human
Resources Development
and Western Economic
Diversification**

(Introduction by Mr. Peter Thalheimer, Liberal M.P. for Timmins-Chapleau.)

I was glad to hear that Ron Irwin said that this conference is about ideas. I think the challenge for me, at ten past eight in the morning, or whatever the time may be, is to get enough coffee in the system to jolt an idea or two.

But I want to begin by congratulating my colleagues from the Northern Ontario Caucus for having been the inspiration for this particular meeting and for having been the driving force in bringing together such a broad selection of people from this region of Canada to talk about their mutual interests. I think it is a great tribute to their commitment.

I can tell you that over the last two years, we have had a solid and effective representation from this area. They have been very helpful in identifying and demonstrating the uniqueness and importance of this region to all of us. And they have found a lot of sympathetic and empathetic tones.

I have my own roots here in Northern Ontario, which I never divulged before. I know that this would be called "coming out", but my mother and father were actually married in Sudbury.

My dad was the son of a Prairie farmer who, during the Depression years, found work in the mines of Sudbury. My mother, who was from Winnipeg, was visiting her sister who is also married to somebody working in Sudbury. Whatever chemistry took place in Sudbury, I can't describe, but they came together.

So whether I can be described as a true son of the North, I am not sure. I guess if you count back long enough, we could probably figure out the timetable, but it does make me feel sort of disposed to you. And also, because I come from a region of the country which shares, in some ways, the same level of frustration. In addition, at times there is a real sense of being distanced from the important decisions being made at the centre.

But those of us who come from Western Canada have always felt, I think, a certain affinity with you. I can recall the dark days when Bob Nault and I were in Opposition — well we say sabbatical, don't we, Robert. Bob used to visit us in the Western Caucus and said he often felt more at home there than he did with some of his colleagues from the South. The fact is that we have always wanted to work together.

I came in late last evening from a trip to Saskatoon where I had business as minister responsible for the Western Economic Development Agency. We have just announced an innovative approach to financing small businesses that this conference might want to consider.

It is based on a series of partnerships with a number of the major banks and the credit unions to set up investment funds specifically targeted to new industries in Western Canada. We use a small amount of federal funding through the Western Economic Development Agency to lever large amounts of private capital investment, so that we are able to provide a backed-offer guarantee for the loans. Thus we can offer small businesses patient capital at a better premium rate for high risks and to open up new opportunities.

Yesterday in Saskatoon, we started the first one. It is a \$35 million investment fund targeted at the biotechnology industries and run by the Royal Bank, in partnership with ourselves. Our ambition in the next year is to set up about seven of these new funds. One in the tourism area, one in environmental technology, another in agricultural food processing. We expect, by the end of this year, to have close to somewhere between a quarter of a billion and a half a billion dollars in new private capital available for small- and medium-sized businesses in particular sectors in Western Canada. The quarter of a billion dollars is levered by an expenditure of about \$25 million on behalf of the Western Economic Development Agency.

So we are getting about a ten-to-one ratio in terms of providing that capital. Also, these investment partnerships will be linked to a new information network throughout Western Canada. We will link all the 79 Community Futures outfits with the Canada Business Centres and the new investment centres so they will have full access to those funds and the business information that goes along with it.

This demonstrates to me an example for one of the themes of your conference — the role of government as a facilitator in a partnership. We are going through a transformation where government can't do it alone. The days when we thought in terms of hand-outs have become a time of providing a hand-up, a helping hand.

I think we have to share these kinds of models by establishing these kinds of partnerships and arrangements in regions like Northern Ontario and Western Canada, where we have suffered from the lack of access to capital, lack of access to information and lack of access to our own decision-making.

In Western Canada, we are interested in your discussions here, and in the ideas you come up with, so that we can see what we could borrow from you. But we are just as prepared to share some of our ideas and our proposals with you, because we think that we face a common problem, as do all Canadians.

In fact, we are going through a virtual revolution in the economy. It is sometimes hard for us. We get up every morning and go off to work or school or look after the kids, but we have to recognize that we are going through a period of transformation that is far more dramatic than anything anybody has ever known before in the history of this country.

Historians tell us about the great industrial revolution which took place at the end of the last century, the end of the 19th century. People were moving from farms to cities and then going into the factories and so on, moving away from an agrarian society. I think we all know that from our school days. Our forebearers, our predecessors, had to find new and dramatic ways of responding, to adjusting and to making that change.

I can tell you that was nothing in comparison to what we are facing today. Nothing compares to the kinds of changes going on internationally, where a trillion dollars passes international borders in a matter of nanoseconds by a touch of a computer, where technology is transferred again simply by a whisk of a computer screen.

But the one thing that remains constant — and if I have a thesis or a theme this morning, this is it — the one thing that makes us different; the one thing that can give us a real advantage; the one thing that we have to build upon; is the strength and skill and ability of our people.

Today, virtually any other part of the world, whether it is in Africa or Asia or North America, can get access to the money and get access to the technology. The thing that will be left with us is what can we do about ensuring that our people have the best quality of skill and capacity to put their God-given talents to work. That is what will make Northern Ontario flourish. That will make Canada the economic haven that we have always known it to be.

If, on the other hand, we fail to meet that test, then we will bear very serious consequences. There is a lot of preoccupation in the country today about both the economic deficit and the fiscal deficit. Our own government has been preoccupied with it, for good reasons. We have reached a certain wall in our financial affairs that we can't go beyond. We hear from taxpayers and everybody else that we have to stabilize and make our systems more integral, more effective.

At the same time as we are looking at the fiscal deficit, and taking major surgery to correct the problem, we should never forget that there is a thing called the human deficit. It can be measured in similar terms to the amount of debt we owe by looking at the unemployment figures. Today, if you look at the number of Canadians who are using Unemployment Insurance or the social assistance system across Canada, even with the kind of economic revitalization we have had, it amounts to over three million Canadians. That represents close to 20 percent of our potential work-force. You tell me, of any business, any organization that is not

making full use of 20 percent of its resources, and I will show you an organization that has got a problem.

But if you turn that around, if you can find ways to fully develop that advantage, then you begin to find that the dynamics of growth begins to shift and change.

We have tended in this country to put things into separate files. We talk about economics over here, social policy over here, as if they were somehow separate. But the reality is that they are one and the same thing and until and unless we are able to fully mobilize every single possible talent in this country, to give every single person the outlet and the opportunity they need, then we won't have the kind of economic development that we are capable of.

In this region, you know this. You see the adjustments going on every day; for example, when Ontario Hydro decides not to buy uranium from Elliot Lake, four thousand people are out of a job. No choice of their own, they are hard-working, committed, when all of a sudden the community finds itself having to go through the throes of a major turnaround. One thing that we share in both Northern Ontario and Western Canada is that many of our communities are dependent upon major resource industries. It is not like in a big city where maybe a factory will close and certain workers are dislocated, but there are all kinds of other opportunities. In many of our communities, when the major employer downsizes, sheds or closes down, where do you go? Where are the jobs? Where is the opportunity?

That, to me, is one of our great challenges as we go through this transformation, because some decisions are not our own. You can't point fingers, you can't say "they" are responsible. Sometimes we point to the guys in the red suspenders who run the bond markets and the financial houses and we try to find all kinds of villains.

I think the Prime Minister made a real effort at the Halifax Summit, two weeks ago, to get the world community to focus on this problem. But we also have to do it locally. We have to do it regionally. We have to find solutions. You know the old saying the environmentalists used to use, that you have to think globally and act locally. So this Summit for Northern Ontario is just as important as the G-7 in Halifax, because here is where the practical steps can be taken to come to grips with that human problem.

I want to throw some questions out to you that you may want to answer this morning before you make your conclusions.

Can a region like Northern Ontario really fully maximize and develop its potential when it still has a drop-out rate of close to 40 percent?

Children are leaving school before they complete their Grade 12 or 13 equivalency at a time when we know that the nature of jobs, not just the

high-tech jobs that the kind of futurists like to talk about, but the jobs in the resource industry require an ever-increasing, higher level of skill and education to read the spreadsheets, to deal with the new technology coming into the plants, the mills and the mines. I can tell you that last year, 20 percent of those with less than Grade 12 were unemployed, 10 percent if you had a high school degree and only 5 percent if you had post-secondary education.

So every time that a young man or woman leaves school with a Grade 8 or 9 or 10, and says, "Hey, I can get a quick-fix job somewhere", my guess is that some day I am going to be looking at a candidate for Unemployment Insurance. It may be in a week, or a month or a year or two years, but there will be a whole cycle developing that will follow that person for the rest of their lives unless we do something very substantial. I am not saying this to lay blame. I am just saying it is a reality. We need the private sector, business and labour, to work with us in partnership to help meet some of those challenges — the challenges of making sure that people are well-skilled, that those who are unemployed for long terms can get back in the job markets.

One of the statistics sent to me this morning from my office is on unemployment in Canada today. It refers to what the economists call "structural" unemployment, meaning it is not subject to the kinds of cycles the business world goes through, of boom and bust. It means that it is entrenched, it is there for a long time. This is a figure that I got this morning. If you look at the unemployed in Canada 10 years ago, the average length of unemployment was about 15 weeks. Today, it is closer to 30, on average, almost twice as long.

We know from our own figures at Human Resources that the longer a person is out of a job, the tougher it is to get back in. After about six months, you hit the slide. I am not sure what the psychology is or the reason, but after a certain period of time, the chance of re-employment becomes much tougher. I think there is probably a little lack of confidence, there may be some disaffection on the part of the employer, I don't know the reason. We do know that the opportunity for young people coming out of college changes dramatically.

One of the things that we are working very hard at, is to find a way to help young people make the transition from school to work. This year, we will put close to 25,000 young people into internship programs beginning in 1995. That is done mainly through the cooperation of the private sector.

You know the models that C-STEK people did in Sault Ste. Marie when Algoma Steel went down. There they actually sat down and developed their human resource plan, to restore and re-invigorate the steel industry. It wasn't just putting money into new equipment, it was also investing in their work-force. Through our department we worked with them, not only to come up with a plan, but to provide for substantial re-education and retraining.

Now we have agreements across the country with the auto repair people, the steel people, the electronics people, and the tourism people, to take our young people and give them on-the-job experience, starting at Grade 10, moving through the school system, up through the job ranks. This is so that young people are not only equipped for the specific requirements of the new jobs coming on: the schools themselves are adjusting their curriculum. We are doing this in the community colleges and elsewhere to help those young people make the transition. And it is done entirely through partnerships. It is not something that government is doing from the top down — that's not our role. But if we can work with the schools, the colleges, and the private sector, then we can give young people a real opportunity.

That is the kind of challenge that we face. This is as much part of economic development as deciding where you get a loan — from the bank or whatever else it may be. We have to find a way of giving people in these communities the kind of opportunity to make use of their talents, to give full reign to the potential that is there. That is economic development in today's world. That is where much of the investment must go.

By every indicator I have seen, there are big payoffs and benefits for the region that decides to make those kinds of investments. It can create its own self-fulfilling prophecy in terms of giving people new hope and also allowing them to create new opportunities.

I will give you an interesting example, again from our own department. We have been experimenting with giving people an opportunity to become self-employed, even though they are still on Unemployment Insurance. Last year, 30,000 Canadians who qualified for U.I. started their own businesses. Not only did they create jobs for themselves, but on average, they created jobs for one-and-a-half other people. As a result, people who started out unemployed, on Unemployment Insurance, themselves created 60,000 jobs in this country last year.

It is a different way of doing things, a different way of applying U.I., which used to be simply a benefit program. Instead we're helping people make the kind of crossover between one job to another, and turning it into an act of positive job creation and a re-entry, re-employment measure. That is what we are attempting to do now in looking at the broad issue of reforming the Unemployment Insurance system — something that will be on the agenda of our government this fall. Our

task is to take a system that was designed 55 years ago when the world was different, the job market was different and the economy was different and bring it into the 21st century. We're saying, let's move away from a program that was designed simply to provide a benefit. Let's turn it into a program that provides active support, that puts tools into people's hands and lets them make choices about how they can become re-employed as quickly, effectively and cheaply as possible.

We want to simplify the program for business. One of the proposals that we are looking at is how to move from eligibility based upon weeks to hours. This would save business in this country \$150 million in administration costs alone, particularly small business. Many of them have to spend hours figuring out how to fill out the records of employment and the other administrative requirements. Let's make it simple. Let's make it easy. Let's make it clean.

At the same time, we want to increase opportunities for people to get back to work. We have been doing some interesting experiments across the country in the past year on the wage-subsidy program. For people who have been unemployed for a period of time, who are having trouble getting back in the job market, we provide a quick wage-subsidy — I can tell you what the results are. In the first year of experiment, we discovered that a simple wage-subsidy, a little top-up to get them back in the job market, means that those individuals in that program have worked 15 weeks longer and have made an additional \$5,000 a year.

It works. It is a different way of doing things. That is why the reform is so crucial, not only to change the dynamic away from the old way of waiting until something happens, and to turn "Unemployment Insurance" into what the Prime Minister calls "Employment Insurance".

It is to give people the tools, the support, the resources they need to make choices about how they can get re-employed quickly and effectively — and do it through a partnership arrangement — to work in a very effective way with the local community.

I was interested in reading some of the background documents for your conference, the *Options Paper*, the one by Harley McGee. I want to quote from it, it says that "... One of the major problems identified for Northern Ontario was a lack of delegated decision-making authority at the local level and the desire to have more say in our own economic destiny."

I am here this morning to tell you we are going to respond to that concern and to help you solve that problem. I want to ensure that as we reform the labour market employment insurance program across Canada, that we substantially decentralize the responsibilities for making decisions affecting it back to the local regional level. This is going to happen.

Coming from where I do, I understand the frustration about decisions being made far away, whether it is in Ottawa or Toronto or elsewhere. Those are not always the best decisions because they are not tailored to meet local circumstances, nor do they have the flexibility to establish the partnerships and coordination with the local partners and players in that region.

So I want to ensure that the use of the resources of my department in Northern Ontario will be decided by the people here. In order to achieve that, beginning this summer, we are going to make substantial changes in the way the department does business.

This morning, I can tell you that we are going to start that process here in Northern Ontario. Rather than being the last place it happens, this is going to be the first place it will happen.

If I can use an old example or metaphor, for a long time, the Department of Human Resources could be compared, if you like, to General Motors, a centralized, buréaucratic thing. By next year, the department will be like Canadian Tire. Everybody will have their own branch with its own tools — but it will be designed and tailored so that it meets the local market and the local needs.

I have worked very closely with the Members of Parliament from this area in looking at this proposal. We will be transferring much of the responsibility from the regional office in Toronto here, to the six major sub-offices of the North. We will come together in a Northern Labour Market Council, what we call a hub-and-spokes system, so that they will have responsibility for planning, personnel, policy-making, decision-making and have the full authority for decision-making in terms of how to use the money, how to use the resources, how to sign partnership agreements with the schools and colleges, provincial and municipal governments. It will be a “made in Northern Ontario employment program” decided here by the people working in my offices, working with you in your own community, your own business and your own organization.

To make that happen, we have to find new ways of linking up these regions. We can't do it in isolation, particularly in an area where you have so many small communities who are reliant on knowing how the job market works. Beginning here in Northern Ontario, we want to move towards a new information system that will link up all the employment centres and will be tied-in with a series of one-stop kiosks. Here we will work with the Community Futures people and the local Chamber, whoever it may be, to establish even in the smaller communities, a labour market kiosk where all the information about jobs, training and labour market will be available with the proper counselling and support. It will be put together electronically so that not only will Northern Ontario be linked together for the first time through a new information

network, but it will also be linked to the full province of Ontario and in fact, will be linked to the entire country.

The pilot project will start here. This morning I am announcing that we have dedicated an additional \$4.5 million to put the new electronic labour market highway into place in Northern Ontario. You will be the test market for us to determine how we can decentralize and reorganize our operation, as well as provide you with the new tools necessary to start designing and tailoring your job needs to our labour market programs in a way that fits.

People in Northern Ontario can begin developing the knowledge and expertise that can be exported to the rest of the country. In fact, these can be exported around the world because we have countries coming to see how we do things here.

This may be an industry in itself. We can demonstrate how the new technology of labour market development can work, how it can be organized and how it can be designed to fit the great variation and variety of regions that we have throughout Canada, particularly if we can meet rural, small-town issues.

We can get rid of the excess bureaucracy, have a new delivery system, transfer resources into this region, and let them begin building their own partnerships and their own arrangements as they see fit.

So that is one contribution that we can make. It is not a total solution to your problems, I understand that. But I think it does demonstrate that the reform we are going through means transforming government itself. You can't do business in the old way, we have to rewrite the script and rewrite the blueprints of how we make decisions. The role of the federal government is not one of top-down bureaucracy, but of help from the bottom-up as a facilitator and a partner as opposed to the central decision-maker.

We can link this thinking into the developments you are talking about in terms of new business opportunities, and community economic development. And I think we can tie that human deficit, that need for job training and information in a way that will provide people with a real sense of how they can manage their own issues and manage their own problems.

It is not an easy time in the life of this country. I think we all recognize that. No one can kid themselves. For a lot of people, the easy way out of it is to fall for the old slogans, to find satisfaction in the old shibboleths, the old conventional wisdom, the old theory rather than taking a hard look and examining facts, considering the future and making hard decisions about how we are going to face up to the kind of choices we have to make.

But in my view, and going back maybe to what Ron Irwin said yesterday, it is a question of ideas. Every time an individual or a group of individuals like you are here in the room, stands up and says we are prepared to make some choices, we are prepared to put an idea to work, and if it happens here in Timmins this morning, it should be happening in Weyburn, Saskatchewan next week and Cornerbrook, Newfoundland the week after. Everywhere people are saying: we are no longer satisfied with the old answers. We are not prepared to take the easy way out. We won't fall prey to the quick-fix artists who "push the hot button" to get us going. We are going to take a hard, serious look at how we can help solve our own problems and turn governments to a new way of acting and reforming.

Once we do that, as those different pockets of energy and ideas begin to come together, those individual ripples become a current. And that current, after a while, pretty well breaks down the barriers, breaks down the impediments, breaks down the walls and gives people in this country a real choice, a real chance of living in what they and we consider to be the best country in the world.

So I congratulate you on your conference. We will work with you as much as we can and I hope you make good use of this new Northern Ontario labour market system. Because if you do it well here, it will help all Canadians to showing the new way to the future.

Thank you very much.

Mr. Bob Rosehart: We have a great Canadian here and he has volunteered to take a couple of quick questions.

The Hon. Lloyd Axworthy: I'll take a few questions because I miss Preston Manning. Maybe you can give me a little question period and keep me in practice for the real thing.

Mr. Bob Rosehart: I heard in one of the hospitality suites last night that one of the major frustrations here in Northern Ontario is due to the regions and the five major municipalities competing with each other. People look to the Maritimes and look to the West as being more united. With your experience in Western Canada and across the country, what advice could you give Northern Ontario in terms of inspiring a more cohesive working relationship?

The Hon. Lloyd Axworthy: The key word we are using in Western Canada is "integrate". That does not mean giving up local definition or identity or autonomy. It simply means that you get a better bang for the buck if you do things together — share resources and share a common way of planning and developing those resources.

I gave you the example of the initiative underway in Western Canada to set up new investment funds. The point was not that all the investment funds would be located in Saskatoon and therefore, that Winnipeg or Regina or Moosamin and Prince Albert would be mad. The idea is to decentralize them while linking them together by a network.

That is the great advantage of using the new communication technology. Sitting in this room, for example, you can be present also in downtown Sudbury and be there in the same second. You don't have to create little pyramids that you live in. You can link those pyramids up so quickly now.

On the business side, we have the concept of the Canada Business Centres — a single window of service delivery. It is hooked-up through an information system, so that many small communities throughout Western Canada will have exactly the same access to money, ideas, information, advice as they do in downtown Edmonton or Vancouver.

The program called Community Futures is another good example. We are using the Community Futures network in a similar way and are discovering that it saves us money because we are not duplicating activities. People can develop certain special areas of knowledge or experience that they share. One community may become particularly knowledgeable in one facet and the next community in the other, and they begin to combine their resources. The key to it, and this is the tough part for all of us, is to find a way of making it work together so that you can share in wealth.

In regional development there is developing, if you will, a consortium of businesses throughout Western Canada. I will give you an example. We have just helped put together about 150 food processing companies throughout the three Prairie provinces. Called Foods Beverage Canada, they are now combining in their niche. They make strawberry jams and various other kinds of products. But they do common marketing in the United States and common development programs. Because international markets now demand quality testing, they combine their resources, do the quality testing to get the market on the Safeway shelves in Spokane or Montana.

We are now setting up a new training consortium in Western Canada to deal with aerospace issues. We are taking a number of air bases that have been abandoned or are going to be closed, combining them with some of the companies and putting together a group that will provide a full menu of training. These are mainly targetted at international markets, for Malaysians, Venezuelans, Germans, and others, that will be linked up by distant education hook-up. Somebody who is taking pilot training in Moose Jaw can get language training from the centre in Winnipeg at the same time across an electronic wire.

This new world that we have can be fearful. But if you take advantage of it, you can also find ways of combining your strengths with what the biologists call synergy. However, to make it work — and I go back to my theme because I am not going to leave it — you need the people who are skilled in knowing how to make it work. That doesn't mean the computer operators, that means the managers and the developers and so on, who are able to bring it together.

It really means that that is where you must break down the barriers between business and labour, because you can no longer have the same kind of adversary relationships you had in the old industrial model. That may be okay back in the 1940s and 1950s, but it doesn't work any more. I think the C-STEK system in Algoma proves how, when business and labour come together, you can provide a revival. It is those kinds of barriers you have to break down as well. Then you have to break down the barriers between the private and public sectors as we have just done in this new capital investment program. Where, I don't go around kicking the hell out of the banks; I say, I want your money to go to work for my businesses in Western Canada and I will find a way of teasing you into the program. And that is what they have done. That is my kind of solution for the morning.

**Speaking Notes for The
Hon. Ron Irwin, Minister of
Indian Affairs and Northern
Development**

**(Introduction of the Minister by Mrs. Sylvie Doucet, Timmins
Economic Development Corporation.)**

Key Excerpts

Synopsis:

Ron Irwin, Minister of Indian Affairs and Northern Development spoke at the Northern Ontario Economic Development Conference in Timmins on June 29. His remarks focussed on three broad fronts: the federal government's action on Red Book commitments; accomplishments in Aboriginal communities and on Aboriginal issues across the country; and what these accomplishments mean for Canadians, specifically those in Northern Ontario.

He indicated the government had begun action on 70 percent of Red Book commitments and would work over the next two years on the remaining 30 percent. He reinforced that the focus of the government is to reduce the deficit and create jobs. He also mentioned that it was the Prime Minister's personal goal to "heal" the nation.

Minister Irwin said the government was trying to lead by example. He cited several instances where this is the case.

Following are key excerpts from the Minister's remarks about the important relationship between Aboriginal and non-Aboriginal peoples required for economic development:

I have achieved a lot in the last couple of days here just talking to people. It's much easier.

I think Jacqueline Fortier-Guertin had it right. I saw her quote when I first came in. We want ideas, ideas, ideas. In the future we will have to be more imaginative. That's the key. I mean every dollar we spend is either taxed money or borrowed money and it has to be, as one person said yesterday, "from the bottom up". It has to be from the bottom up, not interventionist policies, because the winners don't come from the government, the winners come from the people in the community.

How does this affect the Aboriginal people and you? Let's forget what's wrong and let's think about what we can do that is right. Let's try and talk about these new relationships, these new partnerships, and look at them first as business opportunities so that they benefit both Aboriginal and non-Aboriginal people.

...As I stand here, I have 50 tables across the country that are negotiating.

Now I have a Mohawk round table. It doesn't cost us \$200 million and a life to send the military in.

The B.C. treaty process. There are almost 200 First Nations in B.C. and about 70 percent of them are now in the B.C. treaty process.

Gas and oil. There are about 110 First Nations involved in gas and oil and about 50 with substantial holdings. We are in the process now of moving the jurisdiction back to them, because they own it, and there are negotiators there. The way it works is: it's their holdings — but I call the shots. It's just absolutely ridiculous. It's crazy. It's their land, their gas, their oil, but I am — me, individually — calling shots as the Minister.

If we are talking about dignity and respect, it's like a triangle. At the top of this is the dignity and respect of the Aboriginal community. But the bottom of this triangle is adequate economic base, adequate housing, adequate education and adequate health. I am talking adequate, that's all. If you don't have that, the whole triangle collapses.

They have been here for 9,500 years. They want the opportunity that we all have as Canadians.

In Manitoba I took a big risk. I am dismantling the whole department in Manitoba to the Manitoba chiefs and it's working. People said it wouldn't work. Now at Harvard they say that's the most progressive move made in the world. But there is no book written on this. We are all doing this for the first time. What I have to get across to Chiefs is — they are scared, but you think we are not scared? It's a two-way street, we go together, and it's coming.

So, in Manitoba we are dismantling. We are going to be doing the same thing in Ontario, pragmatically, Nishnawbe-Aski Nation (NAN) in Northern Ontario, Treaty 3 and along the union.

Quebec is a little different. It's almost individual negotiations with the ten First Nations and the Crees; but the same thing is happening in Quebec and the same thing is happening in Atlantic Canada.

So, what's the result? The result economically is the Aboriginal people will have significant mineral holdings, they will have significant land, and they will have significant resources. So, the first thing we have to look at is linkage in the banking system. They have a difficult time getting into the banking system.

We had a four-day conference in New Brunswick with all the financial communities, the bankers and the Aboriginal businesspeople. It was a disaster for the first two days. We had all the bankers and we had the Aboriginal businesspeople with significant holdings, \$20, \$30 million, the trusts and so on. I got there the third day and they all got together, the banks, the Aboriginal people, they fired my facilitator. ...[but] ...they got it back on schedule, the province came on side, the banks, the trust companies and the financial institutions. The Chiefs now have a process there.

Independent of this, in Saskatchewan the Federation of Saskatchewan Nations (FSIN), put our proposal to banks. They now have a deal with the Toronto-Dominion Bank and they will be announcing the first Aboriginal co-ventured bank in Canada very shortly. The same thing is going to happen in Manitoba. So, the financial institutions are happening.

Expertise. If we have done anything right collectively, we have done it right in education...

In 1968 there were only 600 native people in post-secondary schools in Canada — only 600. Today, as I stand here, they now have 150,000 graduates. They had 22,000 last year, they will have 23,800 next year.

I am glad to see that both of the northern colleges will meet as a result of our meeting here. We will meet with Treaty 3 when they are meeting and meet with NAN in August and maybe we can get that type of job matching with reality and not graduate students without jobs. So, they have done a tremendous job on education. They want to do better and now they want to fill the holes. They are looking for co-venturing; they are looking for technology transfer; they are looking for partnerships.

In New Brunswick they are putting up a Stranbord plant. It's \$100 million. The Canadian Imperial Bank of Commerce has put in \$50 million, no guarantees. I can't believe no guarantees. MacMillan Bloedel put in \$40 million, the First Nations of New Brunswick put in \$10 million. The market is so good in the U.S. right now, all our product will exceed the consultants' reports. Usually it's the reverse. These things are happening and they benefit both of us.

Log housing. There is so much possibility in that because we are starting with, what, a million and a half dollars in contracts. They are coming in at half the price that I have to pay (normally half the price), of any 50 houses per reserve. Joyce Abobondung, the Chief of Parry Sound, First Nation, is buying her stuff from the communities, she is providing training, she is bringing in quality and she is providing a need in Canada.

They have been telling us for years in Northern Ontario that we can't raise fish because it's too cold. I just came back not just north of 60° — the University of Tromsø in Norway is north of 70°, north of the Gulf Stream — and they are doing this.

Not only is it a good economic opportunity, it's an absolute necessity. We have fish plants all over this country with no product. We have no product because we have done such a bad job in our fish management.

So, Norway is absolutely necessary for our food supply. It's going to be good for business, it's good for Aboriginal people and I think good for the non-Aboriginal people. I think there is a tremendous potential here in Northern Ontario.

The Musqueam in B.C. have a ship factory. Their ships come in — to me they are ships, to them they are just boats, bought at \$1.1 to \$1.2 million. They fabricate everything, they put it together. They are out there. This is the type of business that we should become interested in.

Someone talked about the Meadow Lake Tribal Council. About five years ago in northern Saskatchewan this sawmill, a big one, went under. The Aboriginal people in northern Saskatchewan said, "Let us take it over".

It worked out because the Meadow Lake Tribal Council got into forest management. We tend to get into tree management: grow the softwood, cut it down. They are looking at forest management, the sacred sites, the medicines, the animals, and so on. The system they have in place now is far superior to any of our provincial natural resource departments in this country, because it's forest management. They have been profitable for three years. There are 300 employees there, with a 1,000 employee spin-off into the neighbouring area.

In Six Nations, there are 340 businesses. That will give you some idea of the diversification.

The bottom line is the Aboriginal people have a long way to go. But they have made significant progress and they want to work with us. They tell you that. This should be looked at as an opportunity and not something that we should walk away from.

George Erasmus says, "We can't redo the last 500 years", and that we have made mistakes. You have to understand them, understand what went wrong. The question is: What are we going to do in the next 500 years and, more importantly, what are we going to do collectively in the next ten years?

I keep being reminded, it is true, when Jacques Cartier landed here ... he wouldn't have lasted the first winter. He lost half his men. They didn't even know how to fish. They had to be taught how to fish, they had to be taught how to avoid scurvy through the use of the brew made from bark. The Innu people did that for him and they asked for nothing. They asked for nothing. He was a visitor.

Look what's happened. You heard Peter talk about Huron Robinson and Huron Superior, but look what happened with the treaties. Why do we have the Huron Robinson and Huron Superior in that area? Because we want the mines and the timber. That's why we have it. Why do we have the numbered treaties 1 to 11 out west? Because we want the land. These people were living here for 10,000 years. They were just holding the land until we got here and discovered it.

We talk about mining. They knew how to mine. We didn't have to come out there with our wonderful technology to take oil out of the ground, it was there.

They were using oil, for crying out loud, for their canoes. In 100 years they would have gotten this marvellous technology. This is not great that we have come in and done all these great things.

We took them and we said, "Okay, you live in Ontario. We have this great idea. We are going to put you in a residential school in Manitoba where you can't speak your language, you will lose your culture."

When my people came to this country, they sure... didn't do it to the Irish or Italians. We were allowed our religion, our language and our culture. So, the visitors to Canada — visitors — had more rights than the people who were here for 9,500 years. So, they are saying, "You stole our dignity and we want it back and the only way back is through us."

It's only us in this room. It's only the chiefs, it's only the mayor and the MPPs. If we can't do it, no one is going to do it.

Workshop Outputs

The following summarizes the major issues raised by the workshop participants.

Community Focus in Economic Development

Issue Statement:

Economic development must be considered within a context that includes social development. Economic decision-making is moving closer to the local level at the same time as economic forces are globalizing.

Workshop A1

Key Points

- There are too many programs (no coordination, etc.)
- We should acknowledge successes (learning)
- Community lobby groups should be established
- Regulators + facilitators = solving problem
- Flexibility based on MPs: no programs

Workshop A1.i

Key Points

- Local communities should have control over dollars for economic development; reviews of programs should be established
- Three levels of government must review their programs together to eliminate waste, discover ways to spend more wisely
- More flexibility in administration of programs and services
- Accountability for economic development required
- Shift toward focus on people, initiatives, and behavioral change; government role is to support with policy

Workshop A2

Key Points

- Educate community planners in facilitating in order to develop a better economic development plan
- Community empowerment: willingness of all three levels of government to listen to sectors/communities
- Federal government should support new land development at local level; land use is an economic development tool
- Synthesize strategic plans of economic development corporations into larger regional plan
- Long-term commitment is key to an economic development plan

Workshop A2.i

Key Points

- Create entrepreneurship culture for youth
- Promote Northern Ontario as a region
- Federal and provincial funding directly to communities
- Community solidarity for economic development projects
- Recognition of special problems for remote communities

Workshop A3

Key Points

- Involve and promote private sector leaders in community development
- Lack of education for entrepreneurs a problem; provide education and tools to communicate
- Communities should raise their own capital (venture capital funds)

Workshop A3.i

Key Points

- Build broad-based alliance(s) throughout the North with focus on enterprise development
 - EDC
 - colleges
 - universities
 - communities
 - Community Futures, etc.
- Develop a Northern Ontario business plan
 - include a marketing plan
 - use Northern Ontario Enterprise Alliance
- Improve access for remote communities to communications infrastructure
- Regional development versus regional centres
- Alliances do not have to be limited by geography

Economic Development Issues for the Rural North

Issue Statement:

Growing infrastructures such as the Internet and the increasing accessibility of the information economy provides new opportunities for economic development in the rural North.

Workshop B1

Key Points

- Development of the communications infrastructure
- Need for an inventory of federal, provincial, small business incentives
 - a one-stop shop
- Understanding and preserving quality of life in small communities
- Turning Northern Ontario into a world-class ecotourism destination
- Fostering a partnership approach

Workshop B1.i

Key Points

- Pooling of financial resources including
 - a four-way partnership (three levels of government and private sector)
 - local/regional-level structure needed
- Free access to Crown land for development purposes
- Address human issues dealing with technological change (motivation, skills)
- Provide access to fibre optic cable and better telephone exchange systems (along the corridors of Highways 11 and 17)
- Need for coordinator/broker supplier of services to end user

Workshop B2

Key Points

- Establish an ombudsman for entrepreneurs and developers to cut red tape
- Replicate in summer months the success of winter snowmobiling by introducing adventure travel
 - required infrastructure is in place
 - position product such that it is affordable
- Educate future and present generations in the new economy; begin teaching entrepreneurial skills at an early age
- Single-window approach for regulatory processes applicable to the resource industry
- Local control to tailor programs to fit special needs

Workshop B2.i

Key Points

- Need for a frontier development policy and vision
- We must achieve parity with the rest of the province in telecommunications services in order to realize opportunities
- Education system does not foster entrepreneurship
- Our education system needs to focus on Canadian content and our economic reality
- We need to offer tangible incentives for companies to relocate to the North

Workshop B3

Key Points

- Important role for schools to develop entrepreneurship, identify new technology opportunities, encourage lifelong learning, and provide a range of educational services
- Resolution of Aboriginal concern regarding participation in economy and sharing of resources
- Build community-based capacity to access and utilize new technology
- Eliminate physical constraints of existing telecommunications systems across rural North
- The North needs to control the value-added agenda if it wants to maximize development opportunities

Workshop B3.i

Key Points

- Access to capital
- Need to address land access issues
- Extend municipal organization throughout the North
– everyone can contribute to a basic communications infrastructure
- Opportunity study relating to new technology
- Improved access to training on a local level for specific skills

**Training: the Role of
Institutions and Other
Training Providers**

Issue Statement:

Community colleges, universities and other training providers play an increasingly important role in skills development in Northern Ontario. Colleges and universities will be challenged to establish more working links with businesses to determine and meet training needs. Universities are also challenged to develop additional capabilities in the areas of applied research and technology transfer.

Workshop C1

Key Points

- Linkages between mainstream Ontario and Aboriginal communities
- Client-driven training
- Networking and broader view requires cross-networking to break barriers
- Links between education, culture and business; they can learn from each other
- One-stop information for Northern Ontario, make use of expertise within Northern Ontario by creating a Speakers Bureau

Workshop C1.i

Key Points

- Integration of experience and education
- Create centres of specialization, including Aboriginal
- Accessibility to technology
 - flexibility
 - transferability

Workshop C2

Key Points

- All education providers should work together to ensure that a higher percentage of the population has literacy and other skills
- We need to develop standards for business counselling
- Introduce entrepreneurship in high school and make it a university major
- Ensure that a delivery mechanism reaches the widest geographical area possible and responds to the individual needs of the community
- Our training organizations should have partners with others to have a complete solution

Workshop C3

Key Points

- Develop entrepreneurial culture through all education and training in partnership with all stakeholders
- Increase work placement/linkage between academics and business/industry
- Smart funding and accountability
- Community-generated training
- A series of half-hour videos aimed at entry-level business and computer users; available through libraries, etc.

Coordinating Government Programs and Services

Issue Statement:

Funding for programs and services has been cut deeply at all levels of government. Clients express frustration and confusion at overlap and duplication of services offered by various levels of government. Services vital to economic development can only be maintained or implemented if they are developed and delivered in the most cost-effective manner.

Workshop D1

Key Points

- Concentrate on export markets (e.g. in intellectual capital)
- Convert an existing program to provide true risk (or equity capital) in the North
 - don't depend on market in Southern Ontario
- Administer programs locally through a political, volunteer board of directors
- Provide incentives or co-locate Ontario Ministry of Northern Development and Mines (MNDM), FedNor, Community Futures Development Corporations (CFDCs), Economic Development Centres (EDCs) in specific Northern Ontario communities to reduce duplication and provide better service
- Proceed from bottom up, not from top down with respect to the three levels of government. "We have to give up ownership and stop the turf wars." Actually empower the local groups

Workshop D1.i

Key Points

- Must be *client-driven*
 - involve business at community level
 - develop true partnerships
 - federal, provincial, municipal, business and users
- Develop networks and mechanisms to provide resources to remote areas
 - provide expertise from a central pool, but deliver at local level
- Reduce the number of programs. Simplify them, reduce the number of steps and people they must pass through. Give authority to local providers. Public promotion of the programs that exist. Allow time to see if the program is successful

Workshop D2

Key Points

- Use a clearinghouse type of system to correct disjointedness and to help in planning, delivery and use of resources. Include other levels of government and the private sector, for example, banks. A pool of resources for business would include venture capital, mentorship
- Use creative funding. For example, give banks leverage money to lend in a given sector (e.g. tourism)
- A “one-stop shopping” facilitation service for entrepreneurs. This service would determine which people to involve
- Government should avoid subsidy programs. Stop taxing corporations — wealth and employment created from this will be taxed (note: continue to tax dividends + external investment)
- Government programs should be *flexible* to respond to the needs of regions
 - within and in support of regional priorities
 - have clear objectives but leave the criteria open and flexible to avoid pigeon-holing

Workshop D2.i

Key Points

- Decisions for business loans must be made at the community level
- We can't use the top-down approach. We must identify the demands of the community and then supply
- Provincial and federal governments must cultivate partnerships with municipal governments
- Must have one-stop access to all programs and services for small communities
- Let the community coordinate its own economic development activities
 - government can provide knowledge, technology, linkages and market intelligence

Workshop D3

Key Points

- Program funding must be a three-way partnership (federal/provincial/municipal) with a top-up for private-sector involvement. Criteria should be coordinated (similar to the infrastructure program)
- The delivery of *all* government programs must be flexible, streamlined and less bureaucratic. More importantly, control and influence on delivery needs to originate at the *local* level in order to be effective and suitable
- One window for clients. Current process is discouraging, especially for young entrepreneurs
- Within six months, follow up on conferences/meetings, including this one. The requirement for progress reports may help to eliminate duplication at conferences

Workshop D3.i

Key Points

- Fewer programs; one big program with funds
- Centralized information centres for promotion, general information, and understandable
- Conference of just the sector and business people to discuss what government needs to do to facilitate business
- Stable funding sources per year; instead of \$X for five years, have \$Y every year for long term
- Don't let small, unorganized communities fall through cracks – educate them about programs

Information and Knowledge Exchange Through Networks

Issue Statement

Access to knowledge and information is vital to economic development. This can pose a particular challenge where both physical and electronic infrastructures are less well-developed and population and business densities are low. Networks based on regional, sectoral or other specific interests can facilitate and accelerate the acquisition of key intelligence.

Workshop E1

Key Points

- Better public access to networks/systems
 - liaise in our own community before regional meetings
- Make this conference an annual affair
 - videoconferencing is meaningful, but “face-to-face” has more impact
- Make small-business information easier to understand
 - hire a “messenger” to decipher all the information
 - share information at all levels in our community
- Develop a special training package for Northern Ontario dealing with network set-up, even with limited government funds

Workshop E1.i

Key Points

- Make existing information available
- Use existing networks/no new ones
- Educate; share local/regional information
- Basic needs assessment (minimum standard) e.g. for fibre optics, office hours
- Hard/capital costs assistance for infrastructure improvement (need areas)

Workshop E2

Key Points

- Partnerships, integration, etc. dispels fragmentation
- Utilizes Internet and its supporting infrastructure
- Smart funding
 - do more with less
- Unified Northern Ontario voice (Northeastern + Northwestern)
- Implementation of summit recommendation
 - follow-up
 - report card

Workshop E2.i

Key Points

- The development of videoconferencing particularly for medicine and other services where they are lacking
 - must overcome major barrier: government legislation
- Streamline marketing to the world. To do this, we must build on strengths, create a brand for Northern Ontario and quit the in-fighting
- Develop research with universities in special projects such as forestry, so that our young people will be encouraged to come back to the North

Workshop E3

Key Points

- Better exchange of ideas at local level such as monthly meetings where products are shown
- Better access to information highway
 - current lack of infrastructure
- Better training to improve computer literacy
 - community colleges current approach intimidating
- Return to user friendly services
 - don't make it too complicated
 - ability to record electronically
 - accessibility to general public of network systems

Workshop E3.i

Key Points

- Education
 - training
 - hands-on
 - protocol
- Infrastructures cost dollars
- Networking vs. technology
- Meeting with people and organizations
- Tool to facilitate access

Panel Presentations

Access to Capital

Jim Bradley, Royal Bank of Canada

Mr. Chairman, ladies and gentlemen, I certainly consider it a privilege to be included as a member of this group. Over the next few minutes I will talk briefly on certain issues dealing with the availability of bank financing and on some client concerns we hear. I'll let you know of developments occurring not only at Royal Bank but throughout the industry in general.

There is little doubt that Canada's ability to effectively compete in domestic and international markets is directly related to the future success of small- and medium-sized enterprises, more commonly known as SMEs. Canadian financial institutions face a major challenge helping this market knowing that only half of all new SMEs survive the first three years, while only one in five is still operating after five years.

Small business represents 90 percent of Royal Bank's total business clients, and accounts for over \$10 billion in outstanding loans, the vast majority of which are well under \$200,000.

As SMEs grow in importance to the Canadian economy, we have to ask whether or not we are fulfilling our role of banker as well as we should be. In order to answer that, we need to listen to what companies are telling us. Generally, most small- to medium-sized businesses say they are satisfied with their banking relationship. However, there is a percentage for whom there is some dissatisfaction. This has been conveyed to us in surveys, focus groups and in submissions to standing committees on finance. Gatherings such as this are also an opportunity to hear about the frustrations businesses are experiencing.

Many entrepreneurs tell us they are frustrated by difficulties in getting financing for start-ups. I do believe this was clearly illustrated in the articles that appeared in the *Toronto Star* over the past weekend. They feel banks must be willing to take more risk in financing some ventures. In some cases, even by making equity capital available. When their application for credit is refused, they say we don't do a very good job of explaining why or referring them to alternative funding sources.

Those who do receive credit have another set of concerns. They feel banks want too much collateral and that loan costs are too high. As the relationship gets going, they say we are too quick to reduce lines of credit when difficulties arise.

Overall there is a feeling that banks do a poor job of communicating credit policies and our expectations of clients' behaviour. In addition, many small businesses feel banks generally do not understand their business or have the time to counsel and advise them. Another issue is account manager turnover. With respect to account manager tenure, we at Royal Bank like to see account managers in their position for a minimum of three years.

Having said this, however, let me stress again that the majority of business banking clients in Canada are generally pleased with their banking relationships, and the majority of account managers are nurturing strong relationships and providing good advice.

Like our competitors, we, at Royal Bank, are working to change the way we do business with SMEs and our goal is to fundamentally improve the quality of client relationships. We are listening to our clients, we are learning and we are working to make our relationship with them more open, flexible and supportive. Since credit management issues remain the most challenging, we have taken steps to improve our communication of credit policies. As an example, in late March, we unveiled our "pledge to small- and medium-sized businesses", which demonstrates our commitment by formalizing the principles that guide us in our relationship with small businesses. The pledge contains a process for handling complaints about credit from small business customers and, if a customer cannot be satisfied, we will provide for an alternative dispute resolution service moderated by an independent third party.

In June 1994, we announced our national banking program for knowledge-based industries (KBIs) as part of our strategy to develop expertise in new economy companies. A special team of account managers is dedicated to assisting KBIs throughout Canada and yes, Northern Ontario, with financing and banking support. While many KBI companies might look like small business, their needs are more often like those of bigger business, in that these companies often conduct business worldwide and require sophisticated banking products. This means we may have to consider other issues in our assessment process in order to accommodate their requirements.

In addition, in mid-1994 Royal Bank announced a \$125 million pool of venture capital to assist emerging growth business with sales in excess of \$5 billion.

I readily admit, at this point, that we do not have a product to meet "Venture Capital" requirements in the \$50 to \$200 million range. I can report, however, that the Federal Business Development Bank (FDBD) has recently launched new venture capital programs, which I believe my colleague on the panel will discuss in more detail. These programs are specifically designed to meet demands in the \$100 million range. In addition, and through the Canadian Federation of Independent Business,

several labour-sponsored working venture funds have been established, which I understand have been successful in meeting lower level market requirements.

In March, Innovation Ontario Corporation, the FDBD and Royal Bank in the Kitchener-Guelph area, announced a financing partnership to support emerging companies with market-ready, technology-oriented products. Clearly, the idea of partnering with both federal and provincial agencies, labour, as well as private individuals is an excellent example that describes synergies that take place daily across the country as governments, business and financial institutions look for ways to resolve financing difficulties.

I should mention that we are currently in discussions with the FDBD to review similar programs as are available in the Kitchener-Guelph area to clients in Northern Ontario.

The Royal Bank has business banking account managers located in 20 communities across Northern Ontario. While size and, to some degree, remoteness of some of these communities may create different circumstances for and in our credit assessment processes, the most important measurement continues to be our knowledge of local markets, local economies and most importantly, our customer. I can also report, that considering limits assigned local account managers and through credit or risk management teams located in Sudbury and Thunder Bay, approximately 95 percent of all loan transactions received in Northern Ontario are approved in Northern Ontario.

In closing, not every loan proposal put before us will be approved. But I believe it is fair to say the majority of bankers will do their utmost to ensure approval is provided for well-presented and viable business proposals.

Anne Marie Gilpin, Northern Ontario Development Corporation

Mandate

- Provide financial assistance and advisory services to business primarily through industrial and regional development programs designed to fill gaps in capital markets
- Industry support for manufacturing and related industries, tourism operations, exporters
- Finance projects/firms that are commercially viable and provide net economic benefits to the province which otherwise, because of high risk, would not be financed by private sector
- What distinguishes NODC from other lenders is its willingness to be involved with higher risk enterprises that promise long-term economic benefits to the province

- Emphasis on
 - high value-added activities
 - traded goods or services
 - technical innovation
 - high growth potential
 - international marketing and exports
 - small business and regional development

Net Economic Benefits

- Creation of new jobs, enhancing job skills and/or securing existing jobs in the province
- Development of regionally significant projects
- High-tech or significant new-to-Ontario product/process start-up situations
- Export/import replacement opportunities

Products

- Export lines of credit, loans, loan guarantees
- Equity investment: IOC

Our Clients

- Manufacturers and secondary manufacturers
- Tourist operators
- Exporters
- New entrepreneurs

Our Partners

- Government: provincial, federal, municipal
- Traditional lending institutions
- Ontario businesses

Risk Assessment

- Management: character, ability, track record
- Market: demand for product, competition, stability and growth potential, cyclical or seasonal
- Operations: efficiency, technology, capacity, productivity, efficient layout
- Working capital: liquidity, utilization or availability of bank credit lines
- Repayment ability: historical earnings, trends, stability of cash flow, scheduled debt repayment, normal capital expenditures
- Security: type, valuation, prior changes

Development Benefits

- Increased exports: the assistance provided will lead to increased sales outside of Canada
- Import replacement: the assistance will lead to increased domestic production at the expense of imports
- Technology innovation: the level and type of technology being proposed
- Regional development and diversification: the degree to which the proposal will bring more development to the area, particularly if it is non-competitive with existing businesses in the area
- Leverage funds invested: the degree to which the corporation's funds will attract funds from other lenders and/or investors to the project
- Jobs created and/or maintained: the number of new jobs created or jobs maintained and the effect of these jobs on the local economy
- Skills level of jobs created: higher skill level of jobs created or maintained
- Training provided: the government encourages on-the-job training, particularly through formal training programs
- Environmental improvement/energy conservation: the amount and type of environmental improvement either through the reduction of waste or the re-use of material, or the degree of energy conservation

Challenges in Northern Ontario

- Geographical area and disparity of population
- Dependence on cyclicity and seasonality of natural resource sectors
 - mining, forestry
- Availability of venture or equity capital

Activity for the Development Corporations of Ontario, Including Direct and Agency, March – December 1994

- Developed Corporations of Ontario (DCOs) administer a portfolio of more than \$1 billion
- Activities to date:
 1. Loans, loan guarantees and investments of more than \$175 million
 2. Goal for jobs created and maintained in 1994/95 is 40,000
 3. From April to December 1994, approximately 100 firms have graduated from DCO programs
 4. Leveraged: Direct loans and guarantees approved were \$40 million; investment generated was \$120 million.

Claude Norfolk, the Bank of Nova Scotia

I'm happy to be here today to talk about access to capital in Northern Ontario. And since Jim has done such a good job covering many of the chartered bank programs, I'll try to take a different tack. There's a lot to talk about when you come to this subject. When an individual or a small business seeks financing, the last thing they want to hear is "NO". It's hard not to take it personally and, suffice it to say, there is often a communication gap between bankers and entrepreneurs.

I could spend my five minutes putting forward numbers and comments to try to convince you that my organization, the Bank of Nova Scotia, is trying and indeed has met many of the challenges in this arena over the past few years. But, frankly, I don't think that would be very useful. Instead, I think we should get down to a few basics and talk about the real practical problems and obstacles we all face.

Let me tell you a little about a lender's role and perspective. Firstly, we rent money. Everything we give out, we try to get back. The reason for this is simple. It's not our money. It's yours. People who put money in banks normally consider it secure. Their return on a Guaranteed Investment Certificate (GIC) is modest, but there is virtually no risk. It is certainly much less than that of an investor in a venture fund. For this reason, our tolerance for risk is understandably lower than that of an equity participant.

Secondly, the economics of small business lending are, in a word, brutal. More than 75 percent of our customers have lines of credits of \$100,000 or less. Amongst those, the average outstanding loan balance is about \$25,000 at an average spread of, say, 2 percent over prime. The time spent on administration and a provision for losses and the return on capital is thin. One study I recently reviewed showed a net return of about \$15 a month for a \$25,000 loan, the average size of a small business loan. Figure it out. Next time you review a bank's profits, divide the millions quoted into the billions of dollars of assets. You'll see our return on assets is usually below one percent. Another way of looking at this issue is that it takes about 60 good loans to offset one write-off.

Turning to the entrepreneurs' perspective, they are often well-along the way in pursuit of their idea when they come to see their banker. Often times, money has been spent, sometimes their own resources have been depleted. There is often an acute sense of urgency. Naturally, when the banker starts with the questions, frustration runs high. If the entrepreneur presses for an immediate answer, they're often going to hear "NO".

Increasingly, entrepreneurs have more access to training on financial and general management. But there are still a large number who are highly capable of producing their product or service but have little in the way

of financial skills or have a financial officer/advisor. So there's often tension in the attempt to get together and make a deal. Unhappy customers tell, on average, nine people about their experience. Happy ones tell two. The unhappy ones also seem to write to the *Toronto Star*.

We often hear that banks don't really want to lend to small business, an opinion that is often supported by anecdotal information. The truth is our small business clients are generally our best retail clients, using more services than the average consumer. If we can pick the one with ability and potential and support them, their demand for more services quickly grows, offering even greater revenue growth. This has certainly been the case in my portfolio in Northern Ontario during the past 18 months.

So, our challenge over the last few years has been to find a way to lend money and offer services to small business at a rate as low as prime in some cases.

New products have been developed to meet small business needs: micro operating lines (i.e. \$10,000 or less) and packaged accounts for professionals are two examples.

Our ongoing challenge is to deal with that communication gap I mentioned earlier. We've developed products to help the entrepreneur prepare for financing, to present their product, their research and their financial projections: in a word, to help them manage their bank manager.

Equally important, we know our managers and account managers need more training as well, and we have been working with our people to improve their skills over the past several months.

As I said earlier, there's lots to talk about and lots to do but I feel there is evidence of progress and goodwill, which should encourage us all. We just have to keep working at it.

Thank you.

Michel D. Paulin, Alliance des caisses populaires de l'Ontario

I welcome this opportunity to address this conference and to discuss the topic of access to capital in Northern Ontario. My message will focus primarily on the need for greater decision-making power at the local level that would open up access to capital in the predominantly rural areas of the North.

I will give my presentation in French as well, because I am active in the francophone co-operative movement in Ontario.

This financial movement, which includes credit unions, has a high profile in Northern Ontario, as the following statistics show:

	\$ Assets	Members
Caisses populaires and credit unions	More than two billion	More than 250,000

Definition of the Problem

People in the North are characterized by their lack of entrepreneurship, lack of interest, and poor participation in the business field.

The community can also be characterized as being defeatist, complex-ridden and having little awareness of its own strength. With regard to access to capital, it is felt that sources of financing are reserved mainly for large businesses.

While these problems may be defined simply as part self-perception, part approach, they are still the main concerns on which we should focus our efforts to find a solution to improve access to capital.

The loan qualification process should consist chiefly of an assessment of the individual's character and the potential for success of a given project. It is critical to know the strengths and weaknesses of the local and regional community. Who other than local people can properly assess the situation?

To deal with barriers to access to capital, it is essential that the community take control of its own economic destiny. Otherwise, it is doomed to disappear in the longer term; in fact, this is a reality in rural regions in Northern Ontario.

Thus it is the primary responsibility of communities to ensure that local savings are reinvested locally on behalf of those working for economic development.

Some Solutions

There are a number of vehicles that could enable the community to improve access to capital through locally controlled institutions, such as caisses populaires and credit unions.

Community loan funds and community investment share corporations are also managed locally, and represent a source of risk-capital financing.

Whatever financing vehicles were chosen would have both advantages and limits with regard to business financing.

Then, through locally controlled institutions, the community could forge partnerships with other financial institutions, government agencies such as the Ontario Development Corporation (ODC) or the Business Development Bank of Canada (BDBC), or other investment funds, so as not to limit its ability to meet local needs.

Here are some examples of how a community may mobilize its capital resources to finance various initiatives. In Kapuskasing, the caisse populaire led a community venture to save approximately 1,000 jobs by raising \$12 million to revitalize the Spruce Falls Paper Mill. The caisse populaire alone loaned more than half of the money to the worker-shareholders. Over a period of approximately three years, shares have risen from \$1 to \$4.

In Northern Quebec, Regional Development Cooperatives (RDCs) are being formed to focus on economic initiatives by providing financial, technical and management support to small business. The RDCs are funded primarily by the provincial government based on the number of jobs created.

The Cree and Mohawk Nations have established several caisses populaires in Quebec in order to promote local development. In Ramore, the community raised approximately \$175,000 in seed capital in one week in order to maintain services at a local grocery store. The store was converted from a single owner to a community-based cooperative and approximately seven jobs were secured. This venture was accomplished in cooperation with the Federal Government Industrial Adjustment Service, the provincial Ministry of Finance (Cooperative Development Division), a local economic development consultant and the caisse populaire.

Capital funding sources are abundant. Communities must make an effort to destigmatize Northern Ontario's image as a high-risk region. They must encourage cooperation within their respective communities and promote collective regional projects with positive local benefits.

Once Northern Ontarians feel more confident about their own economic destiny, the door to access to capital will open even more.

Frank Reiter, Federal Business Development Bank

Some Needs and Issues

- Venture capital
- Working capital
- Export financing
- Micro business start-ups
- Aboriginal entrepreneurs
- Knowledge-based industries
- Tourism

Possible Solutions

- Working capital for growth
- Venture loans
- Venture capital
- New exporters program and ISO 9000
- Micro business
- Patient capital
- Term loans

Access to Capital

- Access know-how

Economic Development

Mark Brooks, FORD-Q

I am pleased to have been given the opportunity to provide you with a future vision of economic development from the perspective of the Federal Office of Regional Development, Quebec (FORD-Q).

In a recent article outlining successful objectives for regional development policy, Rémy Prudhomme, a consultant hired by the Organization for Economic Cooperation and Development (OECD), wrote that governments must encourage the capacity of each region to develop according to their own needs. Regional development in Canada has long recognized this fact.

Fiscal reality such as declining government budgets, significant reduction or elimination of subsidies, grants and contributions to business as well as globalization, competitiveness and trade liberalization are just some of the factors that compelled FORD-Q to initiate a strategic repositioning.

About a year ago, we held extensive consultations with SMEs and other stakeholders involved in regional development in Quebec. They told us that government should not be managing various subsidies, but that we should take a collaborative approach and focus on providing strategic information and access to networks. Today's entrepreneurs wanted resources and tools adapted to their needs, not the other way around. The message was loud and clear. This led us to develop the following priorities for our future programming direction:

1. Reinforcement of our leadership in federal economic development including advocacy.
2. Harmonization of federal/provincial activities to eliminate overlap and duplication.
3. Provision of service and assistance to SMEs by offering a single window to federal programs destined for SMEs, concentrating on:
 - innovation, research and development and design;
 - market development including export and domestic markets; and
 - entrepreneurship and business climate.
4. Cooperation with all stakeholders, with an emphasis on community development officials.

We then developed associated guiding principles:

1. Make our strategy of supporting business opportunities for SMEs relevant and viable in all regions of Quebec
2. Think in terms of an evolving, living, emerging service framework
3. Act as the delivery arm for federal programs and services destined to SMEs in Quebec

As a result, FORD-Q no longer merely manages projects. On the contrary, we play an active role in stimulating economic activity by focussing on SMEs to achieve economic growth and job creation.

In order to deliver the new program, we have developed the Idée-PME, which comprises the best tools possible and which aims to support the SME responsible. Let us not forget the need for job creation in Quebec.

The Idée-PME stands for:

- I Innovation, research and development
- D Development of marketing
- É Exports
- E Entrepreneurship and working conditions

Through Idée-PME, we have changed our emphasis from a funding agency to a support organization for economic development. We assist SMEs in all regions of Quebec to break into new markets and to plug into the world. For example:

1. Idée-PME is delivered through 13 centres of responsibility. We provide access to federal networks and help SMEs exploit new business opportunities, such as research and development with the National Research Council (NRC). We also help, with other stakeholders, to develop the economic potential that already exists through Idée-PME.
2. We have redefined our role in regional development and have now become a hub of information by delivering programs for several of our federal partners, such as NRC, the Department of Foreign Affairs and International Trade (DFAIT) and the Canadian Space Agency.
3. Our strategies and tools are more personalized and tailored to the client.

Idée-PME is our future. As Mr. McGee noted, we must give this program a chance to grow. I foresee that future direction for regional development will include more strategic partnerships with the local milieu; continued efforts to eliminate overlap and duplication; simplified access to SMEs by eliminating irritants; and increased focus on community-based programming such as Community Futures.

Guy Brunet, Western Economic Diversification

Our panel chairman concluded the section of the *Options Paper* describing federal regional development activity with the words "...each region of the country must develop its economic development strategy according to its economic base, its potential, and its particular circumstances."

For the region comprising Canada's four western provinces, the economic development strategy is to broaden its commodities-based economy, in order to buttress against the "boom and bust" cycles of the past. (These cycles occur because of the West's vulnerability to fluctuating commodity prices and unforeseen developments in the international economy.)

Here are a few of the important differences between the West's economy and that of the rest of Canada:

- In the West, employment in agriculture is about twice the national average.
- Employment in other primary industries is about two-thirds higher than the national average.
- 10 percent of jobs in the West are in manufacturing, compared with 17 percent nationally.
- Six primary commodities — crude oil, natural gas, coal, softwood lumber, wood pulp and wheat — represent more than one half of the West's international exports, whereas the six top commodities in Ontario, for example, are much higher in value-added and include vehicles and vehicle parts, mechanical machinery, electrical machinery, iron and steel, paper and paper products, and plastics and plastic products. These products make up 70 percent of Ontario's exports.
- More than 80 percent of Central Canada's exports are to the U.S.; in the West, that figure is only 50 percent, because of a higher export rate to Asia-Pacific (especially Japan).

Overview of Western Economic Diversification (WD)

WD was established in 1987, along with the Atlantic Canada Opportunities Agency (ACOA) and Federal Economic Development Northern Ontario (FedNor), to give a greater voice to regional interests and to respond to differing economic needs. The Federal Office for Regional Development, Quebec (FORD-Q) followed in 1991.

WD's mandate is "To promote the development and diversification of the economy of Western Canada, and to advance the interests of Western Canada in national economic policy".

- We have pursued our mandate to promote the development and diversification of the economy of Western Canada by building on the region's strengths, and by pursuing opportunities in value-added and in emerging industries. It is worth noting that this mandate is opportunities-driven, not disparity-driven.
- Our approach, until recently, focussed primarily on funding business projects by means of repayable contributions, which, in fact, amounted to interest-free loans. We assessed these projects in terms of their impact on economic diversification by way of new products, new markets, new technologies, import replacement, or industry-wide competitiveness.

Refocussing WD

However, our strategic approach has changed during the past 20 months or so. A new policy direction in November 1993 from Minister Lloyd Axworthy set WD on a new course, away from direct business subsidy and towards more strategic and integrated multilateral, pan-Western approaches. Cooperation and economic integration are the cornerstones of this approach.

Then came the federal government's Program Review exercise and the February 1995 federal budget. These added significant momentum to the rethinking of how WD should fulfill its mandate. Our grants and contributions budget is being virtually wound down. Starting next fiscal year, WD will increasingly rely on repayments from earlier funded projects to sustain its programs.

Put simply, the **WHAT** of our mandate remains unchanged, but the **HOW** is totally different.

WD in the Future

On the day following the 1995 federal budget, Minister Axworthy announced that WD will no longer provide any *direct* assistance to business, and will focus on five general types of activities:

1. Strategic initiatives
2. Investment funds
3. Community economic development
4. Business services (e.g. through the Canada Business Service Centres or Women's Enterprise Centres)
5. Advocacy

1. Strategic Initiatives

WD will now rely more on public/private partnerships, built on industry-wide representation and agreed federal/provincial economic development priorities, particularly those with a pan-Western focus. Current initiatives underway include:

- agri-food initiative to develop value-added food export marketing strategies
- competitiveness of Western Canadian transportation
- quality assurance
- environmental industries
- aerospace initiative
- tourism
- international trade (e.g. International Trade Personnel Program)

2. Investment Funds

WD funding will be *leverage funding* from the financial sector for investment. Loan funds will be targetted at areas of strategic importance that need *access* to capital for private sector initiatives.

The funds will be *administered* through partnerships with financial institutions — commercial banks, Federal Business Development Bank (FBDB), Farm Credit Corporation, cooperatives and community capital pool corporations.

Loans will be negotiated on commercial terms, with lending decisions made by the financial institution. The investment funds will operate on a sustainable basis for the continuing benefit of Western business.

Current priorities: agricultural biotechnology and biotechnology, value-added agriculture, environmental industries, and tourism. An announcement on the first of these loan funds is being made this morning in Saskatoon on the creation of an Agricultural Biotechnology and Biotechnology Loan Program with the Royal Bank of Canada. Also, discussions with the Farm Credit Corporation are at an advanced stage in terms of an Agriculture Value-Added Loan Fund.

3. Community Economic Development

WD has assumed responsibility from the Department of Human Resources Development Canada for the Community Futures program in the West. It operates in 79 non-metropolitan areas in Western Canada. This will allow WD to take on more community-based economic development, particularly in the rural and northern areas of the West.

4. Business Services

WD opened the first Canada Business Services Centre in Edmonton, and now operates one in each of the four western provinces. In two of them, the province has already joined us as partners. These centres provide a single window approach for business services, including:

- information about all government business programs and policies
- access to effective national and international market information
- access to all government programs for business
- advocacy in respect of government procurement and policy decisions

5. Advocacy

Advocacy will continue to be an important role for WD in ensuring that Western Canada's interests are taken into account in federal policy-making and in winning greater access for Western Canadian business in federal procurement. (For example, in the period 1976 to 1988, the West's percentage of industrial benefits from Major Crown Projects contracts stood at 7 percent. Since WD became involved in the procurement process in 1988, the West's percentage has risen to 35 percent.)

Organizational Response

To translate into reality this new five-point strategic approach to economic development programming, WD has defined four "lines of business" to re-orient its management, organizational structure and professional expertise:

1. Information services

WD will work in partnership with government, industry and communities to provide Western Canadian business with a one-stop point of access for information about financing, government regulations, programs and services.

2. Capital services

WD will work with financial institutions to help targetted industries in growth areas to obtain the financing they need.

3. Business services

WD will advise business on obtaining government contracts, will promote trade and new markets, and will form pan-Western industry alliances to meet competitiveness challenges.

4. Partnerships in program delivery

WD will work with industry, other government departments and other levels of government in program delivery, including strategic initiatives, community economic development and other new program delivery partnerships.

Conclusion

- WD is adapting to the more stringent fiscal environment in a manner that will achieve our commitment to government interventions which are more strategic in nature, and which support small business.
- The approach will use better targetted financial assistance on strategic economic development objectives, and *indirect* forms of business assistance delivered in partnership with industry, lending institutions and other levels of government.
- The result will be a more flexible and responsive business environment that will enable Western Canada's industry and commercial enterprises to compete successfully in domestic and international markets.

Geoff Gillon, President, Northwestern Ontario Development Network

I would like to thank the Hon. John Manley and Industry Canada for holding this conference. I would also like to thank the organizers for allowing me the opportunity of speaking to you today and for allowing me to be a member of this panel on economic development. My name is Geoff Gillon and I am currently employed by the Rainy River Future Development Corporation, and have been active in community economic development since 1989.

Prior to that, I spent 18 years as the owner and operator of a resort marina on Rainy Lake. I am here in my capacity as President of the Northwestern Ontario Development Network (NODN), an association of approximately 40 community development organizations from White River to the Manitoba border. The network's members represent communities or regions that have populations of less than 25,000 people with the exception of our members from Thunder Bay. The NODN is funded jointly by the Human Resources Development Canada Community (HDRC) Futures program, the Ontario Ministry of Northern Development and Mines (MNDM), and our communities through membership fees, board volunteer time and our independent private sector members. The network has developed a long-term plan to increase cooperation, effectiveness and capacity of persons involved in community economic development in Northwestern Ontario.

I must also state that I am here as a community representative and that my biases are towards the community. Experience tells me that people at the community level generally do not care whether assistance or support comes from Canada, Ontario or their municipality as long as the support is there when it is needed, is relatively easy to access and has the flexibility to support them in forwarding their respective projects.

I was also pleased to be asked to participate in this panel because future mechanisms for economic development have been a concern of the network. In fact, our members have been discussing the future of community economic development (CED) for some time now.

In preparing for this conference, I reviewed many documents in our office on CED. I also reviewed the pre-work sent to us by Industry Canada. One theme which I found over and over was that Northern Ontario, by definition, is varied and diverse. In fact, Mr. McGee also discusses the need to recognize the "distinct demographic and geographic realities... of Northern Ontario" if future economic development initiatives are to be effective.

The vision or the future of CED, which I believe is accepted by a majority of members of the NODN, is one in which:

1. All governments and their departments, whether they are federal, provincial or local, recognize and support the CED efforts taking place in Northern Ontario.
2. All governments recognize that CED does not take place in a vacuum and that cooperation, partnering and program flexibility are basic requirements for effective CED to take place.
3. Governments and their agents recognize that Northern Ontario communities must be included in any further discussions on the planning, reorganizing or restructuring of CED programs and services in the region. I hope by stating this conclusion that the diversity of these communities will also be recognized in the final outcome of any changes.

Finally, I believe that in the future many of our members would like to see more of an increased responsibility at the community level for many of the programs and services being offered. For example, the recent Community Initiatives Funds of HRDC was a vehicle in which community groups could access funding for projects of local importance. This vehicle was also important in creating partnerships with the province, for the CED had something to offer which it was reasonably sure of obtaining.

Our vision for the future of economic development is not one of "cookie cutter" programs and initiatives designed to work similarly across the province, but one which embraces a spirit of cooperation and partnership in which all levels of government — federal, provincial and local — and their respective ministries and staff recognize the need for flexible community-based solutions to local problems.

The recent Goss, Gilroy Inc. report echoes this sentiment by stating, "*Increased responsibility for decision-making and implementation needs to be devolved to individual communities through a community-based decision body composed of local stakeholders.*" This does not understate the value of senior governments, for what is needed from them at the community level is support and commitment for CED, but it must be support which enhances local initiatives.

My experiences in economic development tell me that there are a variety of diverse, community-driven, regionally focussed organizations already operating across the North which could provide a nucleus for future development initiatives. In many cases there is no need to reinvent the wheel: just adapt it to a more flexible system of delivery.

As previously mentioned, my colleagues and I have been discussing the future of economic development over the past couple of years. These talks grew from the provincial government's decision to reduce the levels of funding to communities, through Municipal Economic Development Agreements (MEDA), thus spelling the end for many organizations, while spurring others to seriously evaluate their future directions. Out of these discussions came a discussion paper, which includes options along similar lines to Mr. McGee's "Options", such as regional CED or zoning, a devolution of some powers to the communities by using such vehicles as block funding, and partnership development. In our case, we also talked about federal/provincial agreements for economic development, similar to the recent Northern Ontario Development Agreement (NODA), with municipal or local government involvement. We also discussed increased partnerships with private sector organizations such as the Northern Ontario Association of Chambers of Commerce and increased fee-for-service work by development offices. The implementation of any or all of the ideas will require strong commitment from senior government, a willingness to work together and the recognition that we must put our communities first. For it is in the communities, both large and small, urban, rural or in the far North, that the future of economic development will occur. And it is this development, at the community level, which will strengthen Northern Ontario in the new millennium.

Bruce D. Strapp, Economic Development Corporation (EDC)

Economic development and diversification is important to Northern Ontario, but in order to maintain a strong economy, everyone has to be "part of the solution." The leadership of the North must have a positive attitude in moving this agenda forward as a priority.

From a Municipal Point of View

Communities across the North have embraced municipal economic development and have established strategies to go after economic development and diversification.

In Sault Ste. Marie, the city developed a "plan for the future", from a grass roots consultation process called R.A.P.I.D.S. (research, action, promote, infrastructure, delegate and support). It happened because Sault Ste. Marie was in crisis and could have lost its largest employer, Algoma Steel Inc.

As a result of a strong municipal, provincial, and federal government partnership (round-table and coordinating committee), the community has been able to stabilize its industries and its economy. Sault Ste. Marie has been able to improve the quality of life for its citizens by completing several projects in its tourism strategy. The key is to implement a plan and make sure the political and bureaucratic support is there to motivate

the community (private, non-profit, government) as a whole to participate and take action.

The city has recognized that many of its economic strengths lie in the resource industry, and to play on these strengths will lead to diversification. The focus is on tourism, steel and forest, value-added telecommunications, environment and knowledge-based opportunities.

From an O.M.E.G.A. Network Economic Development Practitioner Point of View

By participating in this conference, the objective of Ontario mid-North Economic Group Association (O.M.E.G.A.) is to provide input and influence into the process, so that the needs of our clients (both private sector and municipal) are most efficiently met, and that priority be given to community economic diversification. Several actions are recommended:

1. Ensure that government supports economic development across Northern Ontario, specifically in rural communities which do not have adequate local resources to do so in their own best interests. This support has to be developed for the long term.
2. Recognize Northern Ontario as a distinct region for economic diversification and that an international marketing organization be established to promote and represent our interests. This could be developed from the networks in the North.
3. Incentives for the private sector to support and contribute to economic development activities from both a financial and advisory role. Take down the walls that restrict our private sector from development and diversification.
4. Design funding programs for the private sector and municipalities utilizing local delivering and decision-making. Programs delivered by NOHFC, NODC, and FedNor have supported new business development in the North. Some of these businesses would not be here without this assistance. A single window for these programs should be implemented.
5. Design a replacement program for Northern Ontario Development Agreement (NODA) to provide support for regional development projects, while reducing the bureaucracy of two levels of government.
6. Recognize the role of non-profit organizations and their contribution to the economic wealth of the North. Many of these organizations are developed from grassroots initiatives.

7. There is a lack of consultation between levels of government. True partnerships have to be developed between all levels of government at the local level and at the regional level for Northern Ontario.
8. The *Options Paper* is still too vague and requires more fleshing out before support can be given. Wider involvement is required in completing this project. The private sector has to be motivated to come to the table. There has to be some private sector leadership.
9. The economic development network is an organization that the governments can use to develop a plan for Northern Ontario.

Elaine V. Cooke, Atlantic Canada Opportunities Agency (ACOA)

Background

- ACOA is a federal department whose goal is to work with Atlantic Canadians to improve the economy of communities through developing businesses and job opportunities.
- ACOA offers programs and services designed to help entrepreneurs throughout all stages of the business cycle.
- ACOA's head office is in Moncton; regional offices are in the capital of each Atlantic province; it has a small office in Ottawa to advocate Atlantic interests in national policy-making.

New Directions and Priorities

- ACOA is charting a new course for regional economic development in Atlantic Canada. Our new approach is more proactive and will focus on two core activities:
 1. Economic development leadership. ACOA will spearhead the development of policies which will promote economic development in the region.
 2. Small business development. ACOA provides direct support to small- and medium-sized businesses and to non-profit, business support groups.
- As a result of the Program Review and the 1995 federal budget, ACOA was identified as a single point of contact for programs for the small business sector in the region.
- All financial assistance is now repayable ("investing in business" as opposed to "subsidizing business").
- Underpinning both of these activities is the goal to create 50,000 new jobs in Atlantic Canada over the next five years.

Core Business #1: Economic Development Leadership

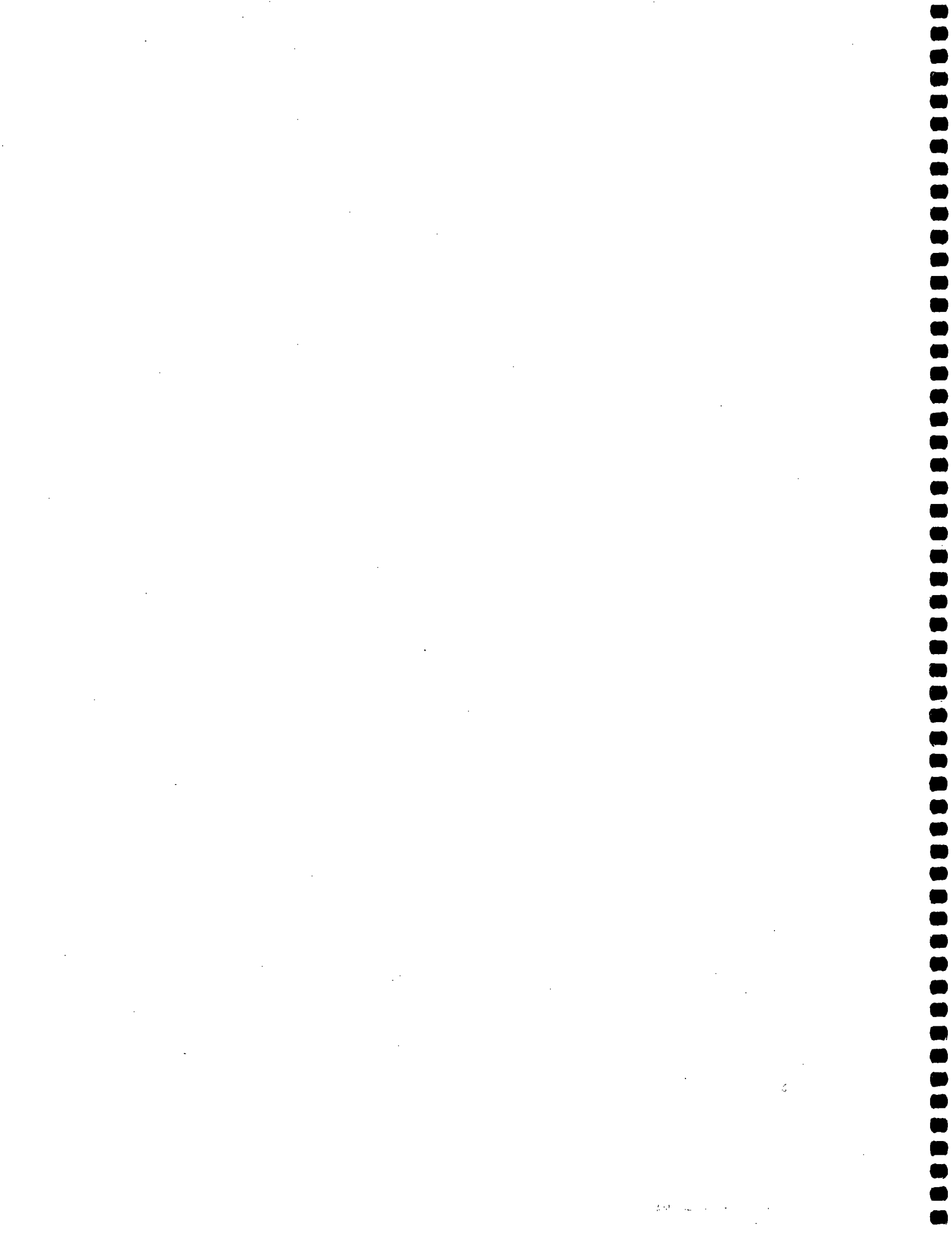
- This will be carried out through proactive advocacy on the national agenda. It will include influencing federal expenditures in the region in order to maximize regional benefits to Atlantic Canada. ACOA has already made progress in this regard.

For example, in 1986 there were no Atlantic firms doing space-related business. Now, thanks to ACOA's efforts and our relationship with the Canadian Space Agency, more than 40 firms are participating in the Canadian space program.

- ACOA places a priority on partnerships, playing the lead role with other federal departments, the four provinces, the business community and others.

Core Business #2: Small Business Development

- ACOA plays a lead role in working with its partners in small- and medium-sized enterprise (SME) development.
- Collaboration exists between ACOA, the provinces and financial institutions to set up an Atlantic venture capital fund to assist small business.
- There is an enhanced emphasis on non-capital assistance, business advice services, and greater proactivity in providing business assistance.
- Streamlined program delivery will be achieved through a single program instrument which will be launched in the near future.
- The new directions and priorities highlighted above have been described by ACOA's minister as the beginning of a new era of economic development in Atlantic Canada.



Cochairs' Closing Remarks

Jacqueline Fortier-Guertin

And so my dear friends, we are coming to the end of two demanding, tiring and challenging days. We understand that: you were frustrated when you arrived here, considering how governments work and that the regions were not in agreement. I know that through our workshops you were able to learn a new way to cooperate in order to obtain, here in Northern Ontario, a special quality of life. Let's work together on one that will promote the quality of life for all Northerners.

I hope that these two days permitted you to meet people that you haven't seen for a long time, to talk about the future, to make new friends and also to have fun. I encouraged you to do three things: network, look at the future and not the past, and have some fun. I hope you have achieved these things.

We have heard from two panels, four ministers, a Grand Council Chief, an entrepreneur and a representative from large resource company. But it was really in the workshops where the vision, ideals and strategies began to take shape. Bob will briefly review for you some of the key findings from these sessions.

Bob Rosehart

I'm really not able to do justice to the material from the workshops in a couple of minutes, but I should say in the draft report that comes along there will be more comprehensive content from the workshops. I want to hit a couple of themes from each of the five different areas. The community focus and economic development are consistent themes.

The economic issues for the rural North session placed a lot of focus on telecommunications infrastructure to minimize some of the disadvantages of doing business in the North. Again, what was interesting from this session was more than focussing on economic issues. There was a focus on education and entrepreneurial skills. One of the workshop areas that wasn't particularly well-subscribed to was this training workshop. But in the economic issues workshop, they tended to put considerable focus on education and entrepreneurial skills development.

With respect to training, two keys issues arose: improving access to training for all, and the concept of integrating experience and training. In this last area, we are particularly committed. The community colleges in

Northern Ontario have come a long way in the last few years with respect to prior-learning assessment.

The coordination of programs and services at the local level of decision-making again put a lot of focus on single access points and whether, in fact, there will be not a single program, but a single access point for finding out about a variety of programs that are available.

Other themes included information and knowledge exchange through networks, investment and telecom infrastructure, and another key theme was the accessibility of existing information and the frustration of getting information that should be readily out there — but which isn't necessarily available.

Now those again are some of the high points from the five workshops.

Jacqueline Fortier-Guertin

What can we expect in a way of a conference follow-up? You can expect Industry Canada (IC) to send to you, by the fall, a draft report of the conference which will feedback to us what we have been saying here, and this way, we will know that we have been heard. If you don't see something important that was said here in the report, I would invite you to write directly to John Manley. In fact, you may even wish to contact him to say thank-you for giving the permission and the funds for this conference. After all, this is an opportunity that we should take and some good things are already happening. I would like to call on Geoff Gillon to tell us about developments with the Economic Development Officer (EDO) networks.

Geoff Gillon

Thank you very much for allowing me to speak during the final closing moments of the conference. What I would like to talk about is the last sheet that was on the overhead, about networking and creating information networks and communication across the North.

I am currently President of the Northwestern Ontario Development Network (NODN). It's a regional association of Community Futures, economic development officers (EDOs) and other community organizations. We have about 40 members and we have been around since about 1990. Our primary function has been information dissemination, getting people to put down their barriers and pull together as a region for the Northwest and to work on professional development so that people in our economic development and community development industry can improve their skills and work more effectively for Ontario and for Canada.

Since the inception of the networking of the Northwest, we have been working closely with the Community Future people and the economic

development officers in Northeastern Ontario. They have two networks themselves that they are working to put together. One is called O.M.E.G.A. that runs along the Highway 17 corridor, and the Net 11 network that runs along Highway 11 in the North. We have been working with them over the last three years trying to bring up their professional development skills. They're discussing how we operate in the Northwest and how we bring down the barriers. Traditionally, we are community against community and it's very, I would say, unique and unusual in the Northwest for us to pull together as a region. That's one of the reasons why this was a very good conference.

I think we are starting to get a focus as a region, but as part of this conference we had a small meeting last night and were discussing our Northern Ontario network. We are coming to terms with the federated network of community and economic development professionals across the Northwest and their affiliated regions. So we think that this conference was very positive. We are looking forward to working with the federal Liberal Caucus, Industry Canada and FedNor people over the next few months, and I hope they bring forward ideas. One other comment on the sheet was to have more local-level decision-making, which is one thing that I am strongly in favour of and I have been pushing for many years. So I'm very, very pleased to hear that this is something that all of us across the North would like to see.

My members, and, I am sure, the members of O.M.E.G.A. and Net 11 are very thankful and very happy that people are putting their trust in us. We are very pleased to work with the federal government and look forward to these initiatives in the next few months.

Bob Rosehart

Well, if we can get the EDO starting to work as a Northern Ontario network, that will be some progress. Now, there have been some questions over the past couple of years about the future of FedNor. I think John Manley clearly indicated the new \$63.7 million funding. The Hon. Ron Irwin gave you some of the history of that and the commitment and role of the Northern Caucus members, making sure that was a reality in terms of its renewed three-year mandate, but there will be changes. The new FedNor will include the administrative responsibility for the Community Futures program and that really means that the kinds of dialogue and the kinds of input that you have given at this meeting will have an impact on Industry Canada, because you are not looking at the status quo. FedNor will change, and the input from this conference will have a factor in what kind of changes will be made. It's important that we have a follow-up to this conference, to make sure the ideas and input in fact have a home.

I would like to call on Doug Narawoski who is involved with the Northern Ontario Business Awards Program, who has some suggestions about where this initiative may go from here.

Doug Narawoski

To set the record straight, I don't formally have anything to do with the Northern Ontario Business Awards program, and you will understand in a second why this reference was made.

We had two long days of meeting so I will keep my comments very brief. I have been asked to leave you with a few thoughts on behalf of a group of delegates here at the conference.

We heard the Hon. Ron Irwin tell us that he wanted to see new ideas emerge from this conference. John Manley also wanted strategies for growth for Northerners from this conference. The Hon. Lloyd Axworthy made it clear that he wants decisions to be made by the people of Northern Ontario when it concerns Northern Ontario economic growth.

We have a Northern Caucus here that brought communities together and brought federal departments together for the first time, again with a common goal of enhancing our Northern Ontario economy. I think it's safe to say that those people I mentioned all see this as a launching point for Northern Ontario economic development. I think it is also safe to say that they are all looking to take direction from the results of this conference.

There have been many good ideas, and positive changes will result from what we have done over the last couple of days. This conference will not accomplish all that needs to be done to fulfill the mandate that has been given to us by the politicians. I think this is an important thing to remember as we leave.

One of the most important things that we were asked to consider was establishing Northern Ontario as one economic community. I think that we had very little time to work on this, given its vital role.

Businesses and entrepreneurs are not being heard well-enough yet, because so far we have only had time to concentrate on process and policy issues. These are important areas to be considered and it is important to get input from all of us. But these areas will not stimulate economic growth on their own. Economic development office staff, chambers of commerce staff, and business people have all expressed some concerns about what we had time to cover at this conference, and want to make sure it does not stop here as a job that is not yet completed. This concern comes across from Northern Ontario by many representatives here today.

It is with these facts in mind that we suggest that prior to a final report, more work needs to be done. Sectoral brainstorming for the Northern Ontario economic community should be done first. We have to have more consultation with the customers in this process. The customers, being the business community and the entrepreneurs, have stated very

clearly that those are the ones that are going to create the jobs, not the policies and procedures and directions.

We would like to suggest that we use the opportunity that the Northern Ontario Business Awards present us to complete the process that has started here in the last three days. In October, as the business community gathers again here in Timmins, perhaps then we could fulfill the mandate that we have been given.

In summary, I would like to thank the sponsors and all of those individuals who have organized this event to allow us to start the process of securing our own future here in Northern Ontario.

Bob Rosehart

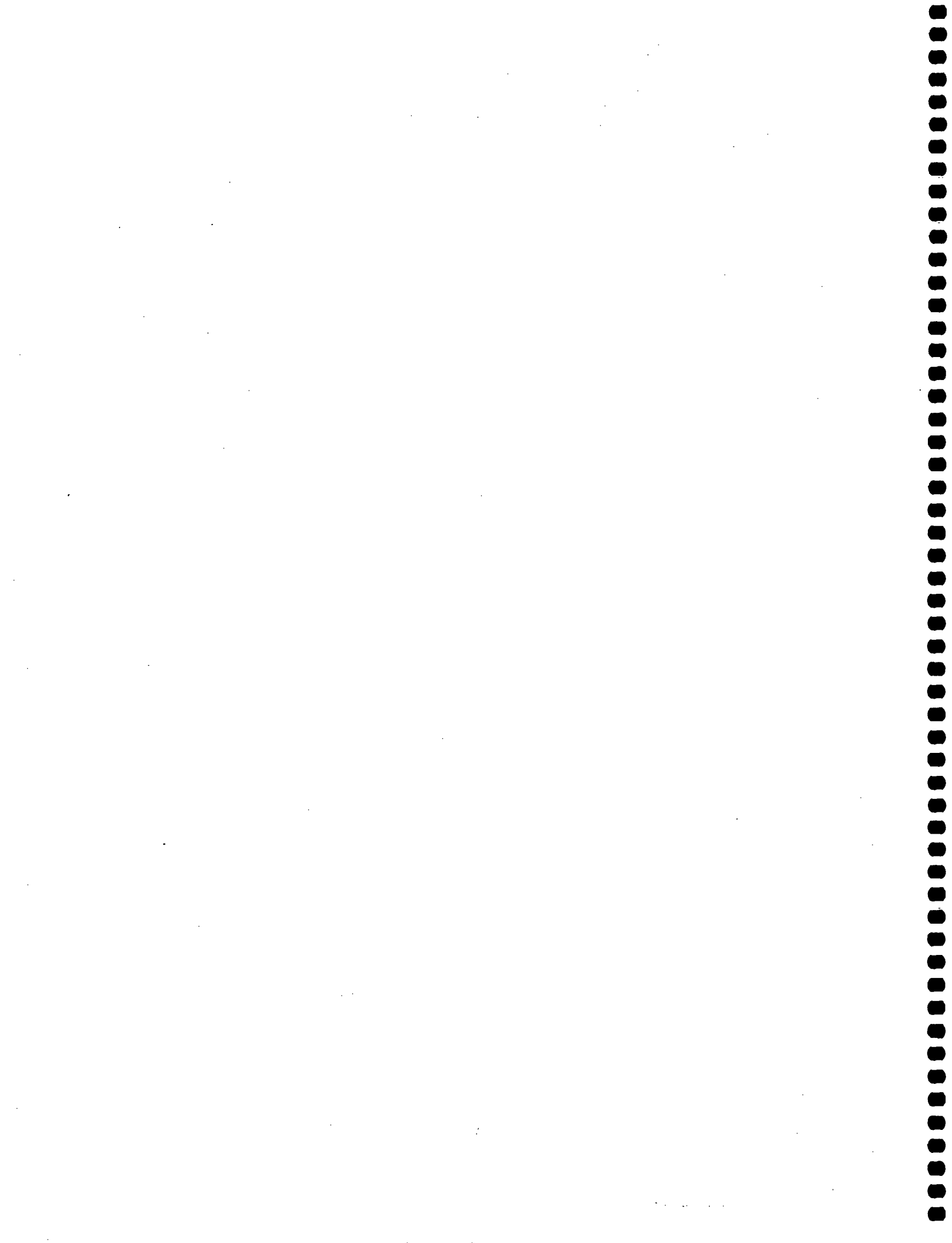
Okay, I think the challenges really are out there. When you receive this draft report, particularly for sectoral input, all of you EDO people get out there to these sectors, get their input and get the suggestions in to John Manley and the FedNor people.

There is another initiative that's been talked about throughout the program dealing with various alliance organizations, the college systems, the banks and other players in Northern Ontario. I think you will see some more initiatives with respect to that alliance coming forward in October. And although Doug can't commit Northern Ontario Business Awards to this follow-up session hopefully it's something that will happen.

FedNor has a newsletter called *Rapport* which I am sure most of you are familiar with. It will also be used as a vehicle for broadly distributing and disseminating the results of this particular meeting.

By the end of 1995, you can expect to hear from Minister Manley about the future direction of FedNor and Community Futures. So again, the timeframe of having this input: this is not an input you need today, or tomorrow, but you could see in the political process that the October timeframe is probably somewhat hopeful as a target to complete this input.

You might expect that I would suggest hearing more about local control, about cooperation with other federal, provincial and local economic development organizations, because everybody has a role to play in the private sector. Again, there's been a good start. I always judge the success of these kinds of presentations by two things: firstly, that when we leave here, something is going to happen. We know there are at least two initiatives that are coming out of this, plus the changes to FedNor; and secondly, this is not very scientific. But the noise in the hallway? There has been a lot of noise in this particular meeting, so I think from the bonding and networking that is going on, I have a good feeling about it.



Biographies of Speakers and Cochairs

**Hon. Lloyd Axworthy,
Minister of Human
Resources Development
Canada and Western
Economic Diversification**

Lloyd Axworthy graduated in 1961 with a BA from Limited College (now the University of Winnipeg), attained his MA in political science from Princeton University in 1963 and completed his PhD at Princeton in the spring of 1972. He was a Professor of political science at the University of Winnipeg from 1965 to 1967 and 1969 to 1979. He also served as Director of the Institute of Urban Studies at the university from 1969 to 1973.

Mr. Axworthy was Special Assistant to the Hon. John Turner in 1967, and served as Executive Assistant for Housing and Urban Development to the Hon. Paul Hellyer. He was elected in June 1973 as a Liberal Member of the Manitoba Legislative Assembly, representing the Fort Rouge Constituency, and was re-elected in October of 1977. Elected in May 1979 as Liberal Member of Parliament for the riding of Winnipeg-Fort Garry, Mr. Axworthy was re-elected in 1980 and 1984. He served in Cabinet as Minister of Employment and Immigration from 1980 to 1983, and Minister responsible for the Status of Women from 1980 to 1982. He also served as Minister of Transport from August 1983 to September 1984.

During his time in the ministry, Mr. Axworthy was Chairman of the Western Affairs Committee of Cabinet, and member of the Cabinet committees on Priorities and Planning, Foreign and External Affairs, and Social Development and Economic Development. He served as Official Opposition Critic for Regional and Industrial Expansion and the Canadian Wheat Board in 1984, and as Trade Critic and Deputy Critic for External Affairs from 1985 to 1988. Re-elected in November 1988 in the new riding of Winnipeg-South Centre, he was reappointed Liberal Trade Critic in February 1989. Mr. Axworthy also acted as Chairman of both the Liberal Trade Task Force and the Liberal Caucus Economic Policy Committee.

He was then appointed Liberal Critic for External Affairs and Chairman of the Liberal Caucus Committee on External Affairs and National Defence in September 1990, and nominated Vice-chairman of the House Standing Committee on External Affairs and International Trade Canada in May 1991.

Mr. Axworthy was re-elected in the riding of Winnipeg-South Centre in October 1993, and was appointed to Cabinet as Minister of Human Resources Development and Minister of Western Economic Diversification on November 4, 1993. He also serves on the Social Development Policy and Economic Development Policy Cabinet committees.

**Jim Bradley, Manager, N.E.
Ontario Business Centre,
Royal Bank of Canada**

Jim Bradley is responsible for the delivery of Royal Bank's services and products to its business clientele located throughout Northeastern Ontario.

During his 32 years with the Royal Bank of Canada, Mr. Bradley held various positions in such places as Ontario, Quebec, the Bahamas and British Columbia. Prior to moving to Sudbury in 1991, he was a Senior Account Manager at the Bank's Niagara Regional Corporate Centre.

Mr. Bradley is on the Board of Governors of Cambrian College and is a Director of the Cambrian Foundation and the United Way. He is a member of the finance committees at St. Andrews United Church and Idylwyld Golf and Country Club. In addition, he is a member of the business services committee of the Sudbury Regional Development Corporation's "The Next Ten Years" initiative and a member of the Sudbury Rotary Club. He has also assisted with fundraising activities at the Sudbury General Hospital, Cambrian Foundation and YMCA.

**John M. Bragagnolo,
General Manager, Timmins
Square Shopping Centre,
Laing Properties**

- Graduate of the University of Western Ontario (BSC)
- Graduate of Management I and II Institutes — International Council of Shopping Centres
- First Vice-president, Timmins Chamber of Commerce
- Executive Board Member, Timmins Chamber of Commerce since 1990
- Former Chairman, Commercial Buildings Energy Management Committee and Public Relations Committee — Timmins Chamber of Commerce
- Member of Business Administration Advisory Committee — Northern College
- Vice-president, Communications, Northern Region, Canadian Red Cross Society
- Member of Properties and Materials Committee, Ontario Division, Canadian Red Cross Society
- Past-president, Timmins and District Branch, Canadian Red Cross Society

**Mark Brooks, Director,
Public Procurement,
Federal Office for Regional
Development, Quebec
(FORD-Q)**

Education	B.Adm., University of Ottawa
Professional Experience	
Since June 1994	Director, Public Procurement Directorate, Federal Office for Regional Development, Quebec
1992-1994	Management Consultant, SME Business Development, K. B. Watson Engineering Inc.
1989-1992	Manager, Intergovernmental Programs, Supply and Services Canada
1987-1989	Policy Advisor, Supply Policy Branch, Supply and Services Canada
1985-1987	Head, Procurement Policy and Training, Material Management Division, Transport Canada
1980-1985	Lines of Credit Officer, Procurement Division, Canadian International Development Agency
1976-1980	Capital Project Officer, Department of National Defence

**Guy Brunet, Director
General of Executive
Services and Evaluation,
Western Economic
Diversification**

Guy Brunet has worked in the economic development field since joining Western Economic Diversification in early 1989.

He was recruited into the federal public service in 1971 following his studies in liberal arts at the University of Ottawa. He has held a variety of management positions in various branches of the then Department of National Health and Welfare (i.e. Fitness and Amateur Sport, Medical Services, and Income Security Programs), at Veterans Affairs, at the House of Commons, and at Government House.

As a result, he has acquired extensive knowledge and experience in the areas of economic development programs, social policy, legislative affairs and government operations.

**Elaine V. Cooke, Senior
Policy Analyst, Atlantic
Canada Opportunities
Agency, Ottawa, Ontario**

Responsibilities

- provides policy advice and recommendations to ACOA senior management and the Minister on issues relating to key sectors of the Atlantic economy
- monitors emerging issues to determine impact of new policies and programs being developed at the national level and to evaluate economic implications for the Atlantic Region; formulates plans and strategies which will address these impacts
- provides proactive advocacy of Atlantic interests in national economic policy development. Acts as liaison with other government departments and develops partnerships with same. Acts as a policy link with Central Agencies (i.e. Treasury Board, Finance, Privy Council Office)
- develops and implements strategies to position the region on a number of ongoing policy reviews at the national level (e.g. Science and Technology Review, National Defence Review, etc.)

**David Corbière, President,
Wabuno Fish Farms**

David Corbière is the President of the Board of Directors of Wabuno Fish Farms and has been involved in the development and organization of the company since its inception in 1990. Mr. Corbière plays an active role in the daily operations of the company, provides site tours and promotes public relations. Over the past 25 years, he has been an employee of Inco (Sudbury). He volunteers considerable time towards a variety of community activities within community programs, social and economic development, and recreation. For the past 20 years, he has been responsible for the maintenance and operations of the community water system. For the past five years, Mr. Corbière has been an active member of the Fire Department and this past year has taken over the responsibility of Fire Chief.

Denis Gauthier, Economic Development Officer, West Nipissing Economic Development Corporation

Denis Gauthier has been with the West Nipissing Economic Development Corporation for three highly productive years. During this time he has played an important role, cementing a unique private and public partnership with MacMillan Bloedel. Five communities were galvanized into this partnership to refit a doomed paper mill into a corrugated paper mill using 100 percent recycled processes. Mr. Gauthier's extensive community involvement and varied background, including owning and managing retail operations, combine to give him the skills and perspective that make him a strong player in community economic development.

Mr. Gauthier has a Business Administration Diploma and three years in a Marketing Program. His studies included time management, advance salesmanship, quality circles, problem solving, negotiating for success, strategic planning board development, managing by goals and objectives, and fundraising.

Mr. Gauthier was the Consultant/Director of Northern Business Support Services, which is a non-profit agency assisting Northern Ontario rehabilitation agencies in developing and enhancing employment opportunities for disabled individuals. He was Vocational Director for the North Bay and District Association for the Mentally Retarded. He has been Director for the West Nipissing Association for the Mentally Retarded. He speaks both French and English and is married with three children.

Anne Marie Gilpin, Consultant, Northern Ontario Development Corporation

Since 1991 Anne Marie Gilpin has been working with the Northern Ontario Development Corporation (NODC). She provides guidance to companies and individuals on government financial assistance programs in order to foster innovation and stimulate regional economic development and job creation in the manufacturing, services, tourism and natural resource harvesting sectors. She undertakes in-depth analysis and makes presentations to senior management or the board of directors on proposals in terms of the economic benefits and financial viability. Ms Gilpin also structures and negotiates terms and conditions of financing packages and manages loan portfolios.

Prior to 1991 she held increasingly senior positions with the HongKong Bank of Canada. Ms. Gilpin holds an Honours BA in French language and literature.

**Geoff Gillon, Coordinator,
Rainy River District
Community Futures
Committee**

Mr. Gillon is currently completing a B.Sc., majoring in biology, from the University of Winnipeg.

Since 1989, Mr. Gillon has been the Coordinator of the Rainy River District Community Futures Committee. His primary duties include the coordination and scheduling of all committee activities; the preparation of all financial records; and researching and writing funding proposals to Human Resources Development Canada.

He has business experience as Manager and Owner of Bear Pass Trading Post Ltd. in Fort Frances, Ontario.

Jacqueline Fortier-Guertin

Ms. Fortier-Guertin is a retired business woman who has served her community for the last 40 years. Education being her forte, she has served as Teacher, Trustee, Governor and Regent of the Ontario Council of Regents Community Colleges System. She served as Chairman of the Kapuskasing Separate School Board and Northern College of Applied Arts and Technology.

Volunteer work has always been part of her life, and she has put a lot of energy in fundraising. Ms. Fortier-Guertin is credited with raising funds for Sensenbrenner Hospital (\$3 million), Cancer Society and Terry Fox Runs.

The francophone community has also benefitted from her leadership capabilities as she has served on many provincial boards.

The economy is also a high priority in her life as her five children are owners in five different businesses. She is beginning her fifth year sitting on Nortel's Board of Directors. Ms. Fortier-Guertin is married and lives in Kapuskasing.

**Joe Hare, Grand Council
Chief, Union of Ontario
Indians, Nipissing First
Nations**

- Born and raised on the West Bay First Nation (Manitoulin Island)
- Attended St. Charles Garnier High School, a residential school in Spanish, Ontario
- Attended a private business college and took business administration
- Since 1975, has had a small, expanding business in West Bay
- Married to Susan Hare, originally from Mississauga First Nation, and has five children
- Started by doing volunteer work with the Friendship Centre in Toronto
- Later worked at the Friendship Centre
- Then worked for the Ontario Federation of Indian Friendship Centres
- Since 1994, has been the Grand Council Chief of the Anishinabek Nation

**W. Warren Holmes,
President and General
Manager, Falconbridge
Limited, Kidd Creek
Division**

W. Warren Holmes was born and educated in South Porcupine, Ontario.

In 1964 he graduated from Queen's University in mining engineering, and joined Noranda Mines Limited in Noranda, Quebec as an Engineer-in-Training. He was transferred to the Timmins area in late 1965 and, after a series of engineering and supervisory positions, was appointed General Superintendent of Pamour Porcupine Mines Limited in 1974. After a two-year leave of absence to earn an MBA at the University of Western Ontario, and a period as Manager of Operations for the Mining Corporation of Canada, he returned to Pamour in 1979 as Mines Manager then Vice-president and General Manager.

Mr. Holmes joined Falconbridge in 1986 as Manager of Mines, Sudbury Operations. On October 1, 1989 he became Vice-president and General Manager of the Sudbury Operations.

On September 1, 1990 he became Vice-president and General Manager of the Kidd Creek Division. In May 1992 he was appointed President, Falconbridge Limited, Kidd Creek Division.

In 1986, Mr. Holmes was the recipient of the Canadian Institute of Mining and Metallurgy's Past Presidents' Medal.

He was elected Chairman of the Ontario Mining Association in March 1991 and is currently Past Chairman.

**The Hon. Ronald A. Irwin,
Minister of Indian Affairs
and Northern Development**

The Hon. Ronald A. Irwin was elected to Parliament as the Member for Sault Ste. Marie in the October 25, 1993 general election. He was appointed Minister of Indian Affairs and Northern Development on November 4, 1993.

Mr. Irwin was first elected to the House of Commons in 1980 and served as Parliamentary Secretary to the Minister of Justice and Attorney General, to the Minister of State for Social Development and to the Secretary of State for External Affairs. While Parliamentary Secretary to then Justice Minister Jean Chrétien, he served on the Parliamentary Committee on the Constitution. During his time in Parliament, he also served as the chair of the Sub-Committee on Acid Rain, which released two reports (*Still Water — The Chilling Reality of Acid Rain*, and *Time Lost — A Demand for Action on Acid Rain*).

A lawyer by profession (graduate of Osgoode Hall Law School), Mr. Irwin has been actively involved in Aboriginal issues for many years as a lawyer representing First Nations and Métis interests in Northern Ontario.

From 1972 to 1974, he was the Mayor of Sault Ste. Marie. While in this position, he was elected to the directorship of the Ontario Municipal Association and to the Federation of Canadian Municipalities.

In 1975, Mr. Irwin was awarded the Order of Canada. He has also received the Sault Jaycee Outstanding Canadian and the Sault Ste. Marie Conservation Man of the Year awards. In 1977, he was a recipient of the Queen's Jubilee medal, and in 1992, the Commemorative Medal for the 125th Anniversary of the Confederation of Canada.

In recognition of the nature and magnitude of Mr. Irwin's work, in December 1994, the Frog Lake First Nation bestowed upon him the status of honorary chief. He received the title and the Cree name *kiksipowpesim kapata'kosit*, which means "Voice in the Rising Sun".

Mr. Irwin is married to Margaret Frech and they have three children.

**The Hon. John Manley,
Minister of Industry**

First elected in 1988 and re-elected in 1993 as Member of Parliament for Ottawa South, John Manley was appointed Minister of Industry on November 4, 1993.

As Minister of Industry, Mr. Manley oversees Industry Canada, which administers services to business, science, and consumer groups, and which promotes the international competitiveness of Canadian businesses. The department combines responsibilities previously held by the ministers of Communications, Consumer and Corporate Affairs, Tourism and Small Business, and Industry, Science and Technology. The Minister is also responsible for a variety of government agencies including the Standards Council, the Canadian Space Agency, the National Research Council, Statistics Canada, the Federal Business Development Bank, the Natural Sciences and Engineering Research Council and the Social Sciences and Humanities Research Council.

A significant achievement during his tenure occurred June 28, 1994 when Mr. Manley succeeded in negotiating an Internal Trade Agreement with provincial and territorial governments establishing for the first time a framework to begin breaking down trade barriers that provinces and territories have been erecting for 127 years.

Mr. Manley is keenly interested in promoting Canada's place in the new economy and has played the key role in developing a new long-term Space Plan that focusses on improving Canadian strengths in high technology. He is collaborating with other government departments and agencies in a comprehensive review of science and technology policy, and is examining regulations and policies that affect small business. In addition, he established an advisory council to help develop and implement a strategy for Canada's information highway.

Before entering politics, Mr. Manley was a partner in an Ottawa-based law firm where he specialized in business and income tax law. He also lectured at the University of Ottawa.

**Robert Harley McGee,
Senior Fellow, Institute of
Intergovernmental
Relations, Queen's
University**

- 1992** Publication of *Getting it Right: Regional Development in Canada*. Submitted by McGill-Queen's University Press for the 1994 Smiley Prize for best book, 1992-93; in French or English in a field related to government or politics.
- 1989** Received Institute of Public Administration of Canada 1988-89 Research Fellow Award
- 1987-89** On staff and Senior Fellow, Queen's Institute of Intergovernmental Relations; resource person and guest lecturer, graduate school of Public Administration, Queen's University; designed and instructed a full-credit course on Managing Change

Federal Government

- 1982-87** Assistant Deputy Minister, Regional Industrial Expansion (now Industry Canada), Ottawa
- 1976-82** Assistant Deputy Minister, Atlantic Region, Regional Economic Expansion (DREE). Directed the federal government's regional development activity in the four Atlantic provinces, up to that time the largest such effort in Canada
- Prior to 1976** Held senior positions with DREE, the federal Treasury Board and Industry, Trade and Commerce. Joined the federal public service in 1964 after being associated for a number of years with the forest products industry in Canada
- Held directorships while in government in the fields of economic and export trade development, resource industries, energy, construction, biotechnology, information technology, and was federal representative on a number of industry advisory committees
- A native of Fredericton, New Brunswick; attended University of New Brunswick and McGill universities

Claude Norfolk, Vice-president, Bank of Nova Scotia

Claude Norfolk is in charge of banking in Ontario North, an area ranging from Parry Sound to Hearst, Mattawa to Sault Ste. Marie.

Mr. Norfolk began his career in 1975 in Vancouver, B.C., serving in a number of capacities in both the branch and head office areas. In 1987, he was appointed Vice-president of Staffing and Recruitment for Canada. His career has included commercial lending to the small business market as a branch manager as well as credit supervision.

In 1993, he was appointed to the newly formed Ontario North office in Sudbury to develop the growth of the branch network in Northern Ontario.

Mr. Norfolk is a Fellow of the Institute of Canadian Bankers.

Michel D. Paulin, CEO, Alliance des caisses populaires de l'Ontario, North Bay

Michel D. Paulin graduated from Brock University in business administration and economics. He has held various positions within the caisse populaire organization since 1978 at both the caisse populaire and federation level. Formerly Vice-president, financial services at the Alliance, he has been in his current position as CEO since April 1992. In the past, he was a member of the National Credit Union Insurance advisory committee, National Risk Management committee, OSDIC Sound Business practices committee and various government advisory committees.

Mr. Paulin is presently a member of the CU/CP Legislative review committee, the *Cooperatives Corporation Act* review committee and the board of directors of Le Conseil de la Coopération d'Ontario.

L'Alliance des caisses populaires de l'Ontario is a federation representing 14 Caisses populaires in Northern Ontario and their 60,000 members. System assets total \$360 million.

Frank Reiter, Vice-president and General Manager for Ontario, Federal Business Development Bank (FBDB)

- In his current position, Mr. Reiter is responsible for 21 offices, plus/minus 200 full-time staff and many hundreds of networks, \$750 million loan portfolio
- Mr. Reiter's background includes management of FBDB venture capital portfolio in British Columbia; responsibility for counselling and training services.
- He has lived and worked in many small and Northern communities; responsible for six branches in northern British Columbia as well as the Yukon Territories.
- He spends vacations paddling through whitewater rivers of northern Canada.

**Robert G. Rosehart,
President, Lakehead
University, Thunder Bay**

- Has held current position since 1984
- Resident of Northwestern Ontario for 25 years
- Ph.D. in Chemical Engineering
- Interest in energy and environmental engineering
- Chair, Ontario Committee on Resource Dependent Communities, 1986
- Active on various community, regional activities
- Board of Directors of Rainy Rivers Forest Products Ltd. and Ontario Energy Corporation

**Bruce D. Strapp, Executive
Director, Sault Ste. Marie
Economic Development
Corporation**

Bruce Strapp has held his current position since August 1992. He holds an honours degree in Economic Geography.

He was founding member of the Northern Economic Team, Highway 11 Corridor, Vice Chairperson of the Northern Ontario Market Place, Past Chairperson of the Timmins Networking Group, 1990 to 1992, past Chairperson and founding member of the Northwestern Ontario Economic Development Network, 1987 to 1989. In partnership with Lakehead University, he established the Network Office and Foundation for Technology Transfer from university to private sector and developed a research and development park with Lakehead University and support funding.

He was responsible for development of the Life Long Learning Centre in Red Lake, Ontario, a community supported centre to support the delivery of literacy, secondary and post-secondary courses to adults.

Mr. Strapp is President and one of the founding members of the Red Lake Skills Development Corporation, which developed the "Abino Hard Rock Miner Training Centre". He is resource and founding member of the Red Lake-Ear Falls District Community Futures Committee.

His previous employment includes:

- Getty Oil Ltd. — Explorationist (1980-1984)
- Strapp Management and Expediting Services — Owner/Operator (started in 1985)
- Red Lake District Economic Development Corporation — (contract)
- Timmins Economic Development Corporation — Manager

Bruce and Holly have two children, Ricki and Caitlin.

Annexes

Listing of Cochairs, Speakers, Rapporteurs, Facilitators and Panelists

Cochairs

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Speakers

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President and General Manager
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Hon. Ron Irwin
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Rapporteurs

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**Access to Capital
Panelists**

**Chairman: John M. Bragagnolo, President, Timmins Chamber of
Commerce**

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First Vice President
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**Economic Development
Panelists**

Chairman: R. Harley McGee, Author of the *Options Paper*

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List of Acronyms

Acronym	Meaning
ABC	Aboriginal Business Canada
ACOA	Atlantic Canada Opportunities Agency
BDC	Business Development Centre (Community Futures)
CFDC	Community Futures Development Corporation
COBSC	Canada/Ontario Business Service Centre
DIAND	Department of Indian Affairs and Northern Development
EDO	Economic Development Officer
FBDB	Federal Business Development Bank
FedNor	Federal Economic Development in Northern Ontario; Industry Canada
FORD-Q	Federal Office of Regional Development, Quebec
HRDC	Human Resources Development Canada
IC	Industry Canada
MEDT	Ontario Ministry of Economic Development and Trade
MNDM	Ontario Ministry of Northern Development and Mines
NODA	Northern Ontario Development Agreement
NRCan	Natural Resources Canada
RAMBO	Regional Aboriginal Management Boards
TEDC	Timmins Economic Development Corporation
WD	Western Economic Diversification

**List of Telephone Numbers
of Federal MPs from
Northern Ontario**

Riding	MP	EA/LA
501	Mr. Brent S. Denis MP Algoma	Tom Cormier (613) 996-5376
511	Mr. Reginald Belair MP Cochrane-Superior	Pauline Portelance (613) 992-2919
535	Mr. Robert Nault MP Kenora-Rainy River	Patti Skillen (613) 996-1161
552	Mr. Raymond Bonin MP Nickle Belt	Gary McMahon (613) 995-9107
535	Mr. Bob Wood MP Nipissing	Patrick Gagné (613) 995-6255
564	Mr. Andy Mitchell MP Parry Sound-Muskoka	Chris Must (613) 996-3434
573	Hon. Ron Irwin PC, MP Minister of Indian and Northern Affairs Sault Ste. Marie	Jane Cane (613) 992-6418
582	Hon. Diane Marleau PC, MP Minister of Health Sudbury	Jason Grier (613) 992-4040
583	Dr. Stan Drominsky MP Thunder Bay-Atikokan	Jeff Morrison (613) 992-3061
584	Mr. Joe Commuzzi MP Thunder Bay-Nipigon	Alvah Hanrahan (613) 996-4792
585	Mr. Benoit Serre MP Temiscaming-French River	Suzanne Potier (613) 992-2792
586	Mr. Peter Thalheimer MP Timmins-Chapleau	Barbara Chretien (613) 992-3802

**Conference Guideline
Documentation**

Industry Canada. *Northern Ontario: A Background Paper*. Ontario Regional Office, 1995.

Conference on Economic Development in Northern Ontario/Report on Consultations with Stakeholders. Goss, Gilroy, 1995.

McGee, H. *Options Discussion Paper/Conference on Economic Development in Northern Ontario*. 1995.

