

ONTARIO'S FIRST STATE OF THE NORTH SUMMIT: OPPORTUNITIES AND CHALLENGES IN THE NORTH

April 2, 2015

HEAD TABLE:

Distinguished Guest Speakers:

Mr. David Canfield, Mayor of Kenora; President, Northern Ontario
Municipal Association

Ms. Joelle Faulkner, President, Area One Farms

Mr. Ted Griffith, Principal, Campbell Strategies; Chief Strategist, The Fixers
Group; Vice President, Empire Club of Canada

Mr. Lawrence Martin, Grand Chief Mushkegowuk First Nations

Mr. Al Spacek, Mayor of Kapuskasing; Chair, Federation of Northern Ontario
Municipalities

Guests:

The Right Honourable John N. Turner, PC, CC, QC, 17th Prime Minister
of Canada

Hon. Michael Gravelle, MPP (Thunder Bay–Superior North), Ontario Minister of
Northern Development & Mines

Mr. Gary Huizing, General Manager, Cochrane Power

Mr. Barry Campbell, Principal, Campbell Strategies

Mr. Brent Houlden, Director, Empire Club of Canada

Mr. Fittipauld Lourenco, Director, Government Affairs, Air Canada

Mr. Kevin Howlett, Senior Vice President, Regional Markets, Air Canada

Mr. Gerald Panneton, Founder and Former CEO, Detour Gold

Ms. Jamie Lim, President & CEO, Ontario Forest Industries Association

Ms. Andrea Wood, Senior Vice President, Legal Services, TELUS; President,
Empire Club of Canada

**Welcome Address, by Ted Griffith, Principal,
Campbell Strategies & The Fixers Group;
Vice President, Empire Club of Canada**

People and the guests on the stage with me today are also head table guests, but for the sake of clarity and time, I thought I would introduce them separately. That way, we could proceed immediately into our discussion about the opportunities for all of Ontario and the world in Northern Ontario. To my right and your left, the mayor of Kenora, Ontario and the Chair of the Northern Ontario Municipal Association, Mr. David Canfield; the President of Area One Farms, Ms. Joelle Faulkner; the Grand Chief of the Mushkegowuk Council of First Nations, former mayor of Cochrane, former mayor of Sioux Lookout and two-time Juno Award winner, Lawrence Martin. N o w , to my left and your right are the Mayor of Kapuskasing, Ontario and the Chairman of the Federation of Northern Ontario Municipalities, Mr. Al Spacek; the founder and former CEO of Detour Gold, Mr. Gerald Panneton; and, finally, the President and CEO of Ontario Forest Industries Association and a former mayor of Timmins, by the way, Ms. Jamie Lim.

We had a very spirited discussion this morning in preparation for this, so I am quite looking forward to all this. Interesting having our group together from the North to agree on many

things who have competitive opinions on others, and I think it is great to see this group come together.

Let me remind everybody here in the room about the format for today. I will be asking each of our panelists to make a brief opening statement about what they see as the opportunities for Ontario and why personally they are involved in Ontario, of Northern Ontario, with part of our province.

What is interesting about Northern Ontario, for everybody should be reminded of, is that it represents 86% of Ontario's land mass and 6% of its population. So, I am going to ask our panel why this part of the world is important to them. For our guests, both here at the Royal York and hearing our live webcast, I encourage you to post questions or comments on our Twitter wall using the hashtag #empireclub or #stateofthenorth, and your question or comment will appear on the wall. I have also got it on an iPad here, so I will be able to see any questions that come from the world or even our audience here. At the conclusion and in about, say, 1:40 p.m. or even earlier, we will actually have some time for questions from the floor. So, thank you very much.

Let me first start with Mayor Canfield: What do you see as the opportunities for Northern Ontario, and why is it so important to you?

DC: Well, thank you and thank you for the opportunity to be here and to speak to everybody and kind of bring our message from the North. But, first off, I want

to recognize one of my constituents. We did a little constituency work here earlier, the Honourable John Turner, who is a summer resident in Kenora and is there for the same reason I am—things that I will talk about—because the love of the beauty of the area there. Another little bit of nostalgia here that Mr. Turner is quite aware of is that Kenora is the smallest community in North America to ever win the Stanley Cup. We are now second only to the Toronto Maple Leafs. But, I think one of the big things—I mean, obviously, we are in Northern Ontario because of the beauty. I mean, it is the lifestyle, and we love it so much. We have been there for generations, and the opportunities that we see now because the world has changed so much, because the forest industry is rebuilding in a different way, but in a very exciting way with six-storey wood-frame buildings, is the fact that we are sitting on a massive amount of resources. What we need to do is get these resources moving.

Now, one of the things that happened back in the '70s—and I talked about it a bit this morning—was there was a huge influx of infrastructure by a man by the name of Leo Bernier who was the first Minister of Northern Affairs, I believe, when they put airports into the far North communities, built resource access roads throughout Northern Ontario to get into the resources. And the pulp mills and the paper mills started to expand

and build more machines and build more sawmills.

So, we are at Phase Two right now, and I will talk about that a little bit later, and this is going to be something that Minister Gravelle is going to provide for us in the future, that is, that next set of infrastructure that has to go in. That set will be the roads and the power lines so these communities can access these resources and move forward from there.

TG: Thank you, Dave. Mayor Spacek?

AS: Thank you, Ted, and, again, it is a pleasure and an honour to be here to promote Northern Ontario. Certainly having been born and raised in Northern Ontario, I see firsthand the opportunity. I have had the privilege of traveling this great province and country and beyond its boundaries, and I know only too well the opportunity that is there.

Now, Mayor Canfield appropriately stated that we know about our resources that we have there, the forestry and mining sector. I think if I was to talk about something that maybe we are not so well known for it would be our potential when it comes to agriculture. I will speak more about that later, but, certainly, it is a great opportunity. We also have a lot of resources in human resources—skilled labour. It is a great opportunity, and it is largely untapped.

TG: Thank you, Mayor. Ms. Faulkner, that is probably a good segue to you.

JF: Area One Farms, to give you a bit of background, partners with great Canadian farmers to build strong farms in our country. We operate in four provinces. We actually only work with one farmer in Ontario. Part of that is because what we focus on is really growing places where there is a lot of land redevelopment work to do, so bringing what was once historically farm back into production. Northern Ontario represents the most significant opportunity for that in Canada. And, from what we have been able to tell, it actually represents one of the most significant opportunities for bringing agricultural land back into use in the world. So, that caught our attention.

TG: Thanks. Thank you, Joelle. And Grand Chief Martin.

LM: The opportunities that I see as Grand Chief of seven communities of Northern Ontario is to watch what is happening in our territory, so to speak, and, particularly, in the Ring of Fire, so we try to find ourselves a place within this resource development that is going on. We started working with a group here, TGR Group, and talking about putting a rail through James Bay, through the lowlands. And we also talked to our friends in Hydro Québec and to the Québec Crees about bringing Québec hydro in from that side to be able to bring power to the Ring of Fire and also to the communities up there that do not have any kind of electricity, except from the diesel operations.

We also talk about utilizing the James Bay–Hudson Bay waters as a seaport that can accommodate the transportation of all these goods, not only from the Ring of Fire, but I believe from the supplies that would be taken from the south the north and elsewhere around the world. So, we see this as a great opportunity for us, and we are really happy to be part of something, because my people, the Cree people, welcomed the Irish and the Scottish and the French and the English over 400 years ago. Now, it feels like it is time for us to get involved, and we are happy to be involved. We have treaties; we have court cases; we have everything that we do not want to get into, but now it is time for business. That is what we are here for.

TG: Thank you, Lawrence. Mr. Panneton?

GP: Good afternoon, everyone. Basically, mining was my bread and butter for the last 31 years, so of course I am not going to be able to talk about forestry and agriculture, but I know one thing: The land mass, 86%, the skilled people is a resource and there are a lot of very good people up North. We lived in Val-d'Or for 12 years; we developed the Detour Lake Mine into a hell of a project. We worked with the Ontario government and federal government very well on this. We created value. We created jobs, 700 jobs directly and, probably, about 2,000 indirectly. The North has tremendous potential, but we need to do a lot more

infrastructure. We need to support its development, and I think this is a great panel on which to be able to discuss all the resources, which are very diverse, to eventually develop into a development, an economic development situation for the North. Thank you.

TG: Thank you, Mr. Panneton. And Jamie wrapping up on the why and opportunities.

JL: Ted, thank you, for inviting the OFIA here today to speak—and I broke your first rule about acronyms, and I apologize, but why is the North important to me? Simply put, I am probably one of the only people in this room that can say that she lives in the two GTAs of Ontario. So, I keep my home in the Greater Timmins Area, and I have a cottage at Summerhill and Yonge in the Greater Toronto Area, and so I am a third-generation citizen of Timmins, born and raised.

I just finished raising three members of the fourth generation, and you are going to be shocked when I tell you that the greatest opportunity for Northern Ontario is the forest sector. It is a renewable resource. I know this is going to come as a shock, but trees grow, and our sector, with the right pragmatic public policy and support, can, hopefully, remain the second-largest industrial sector in Ontario. We are a job creator, supporting 170,000 hard-working families in Ontario in 260 communities. Right now, we have a study that shows Canada's forest sector can increase its economic

activity by 60, no, by 20 billion by 2020 and increase the greenest workforce by 60,000.

Guess what? Everybody on this panel and everyone in Northern Ontario wants their share of that growth, and so that is why I get a little bit passionate about this, and that is why I am so glad we are here today talking about the state of the North.

TG: Thank you, Jamie. I appreciate that.

Premier Wynne has said, “We must look at interconnected metrics to run a good province for the benefit of everyone in the province.” What is your advice to government on how to overcome the singular focus of one ministry to, perhaps, the detriment of many others, as you have seen in the case of the North? Maybe I will go back to you, Jamie, and start there.

JL: Sure. For the member of the forest sector, our greatest concern, I would say, is not necessarily with how ministries are interacting; it is more with the staffing in the Premier's Office. Some of the policy advisors in the Premier's Office have incredibly strong relationships with radical environmental groups, environmental activists, environmental lobbyists, and I guess I want to have a distinction here: Everyone on this panel is an environmentalist. When you are raised and live in the North, you clearly grow up with such an incredible appreciation for natural resources. It not only is your bread and butter, it is where you play; it is where you

live every day, every minute. And our appreciation is so profound.

And so we are concerned because, over the past 11 years that I have been with OFIA, we have had four ministers, one of them is with us today. They are from Northern Ontario; they are Northerners; they get it. And yet, we see a lot of our strategies, a lot of our plans sort of go by the wayside. And so, our concern is with the staffing there. We would like to see more balance in the Premier's Office. We would like to see some policy advisors that have clear job creation backgrounds—not academic job creation—but really manufacturing job creators in the Premier's Office.

TG: I was going to say that is interesting because I think in Premier Wynne's letters to every cabinet minister, which were made public for the first time, economic development is at the heart of every single ministry and their jobs. Correct?

JL: Yes.

TG: Mayor Spacek, please.

AS: I think, in short, to make it simple, one point of contact would be helpful to Northern Ontario, a government contact. Michael is our champion now, and he is doing a great job of bringing together those resources, but we hear consistently that Ontario is a jurisdiction that sometimes is viewed as a little complicated. And if there was one point of contact in the government to

lead the projects through to fruition, that would be helpful. I know Québec, Manitoba, Saskatchewan have a similar model, so when you are looking at a major development or project in Ontario, there is that one point of contact that leads you through the proper permitting to bureaucracy to get your project underway.

TG: So, that contact is not just in a ministry, but it would cover all ministries?

AS: Exactly.

TG: Okay. Lawrence?

LM: What I find very interesting is that as First Nations people get involved in the planning process with the province, say, land use mapping, for instance, and we bring our perspectives, our teachings, philosophies onto the table—and we will bring our traditional ecological knowledge to the table—sometimes that clashes against the scientists from the province that work with them. So, we have very interesting points of view that we have to overcome, but I think that is the interesting part, that when you are bringing a different group of people into play at the table, there is bound to be different points of view and that is what we are experiencing.

As far as anything else goes, I think policies, you know, it is our government's policies to do this and that, but sometimes when you start doing something or

thinking about planning something outside of the box, it is not that easy to change those policies. And I go back to what I said earlier about how I am trying to bring in this power from Québec. Okay, there are no policies in Ontario to accommodate an easy flow of that energy, not just for our communities, but also to the Ring of Fire, but I see these two ministries sitting here, and I know they are listening, and I know they are going to help me, right?

TG: Thank you. David? We have got all these ministries that have a foothold in the North somehow. How can we get them to work together?

DC: Well, to kind of a follow up on what Lawrence said, I think we are talking about connecting the dots, and the dots span a huge area. Just to give you a geography lesson: The Northwest Ontario Municipal Association of which I am President spans from Hornepayne to Kenora, which is well over 1,000 km and from Fort Frances to Pickle Lake on about 60% of the provincial land mass. On a road trip, if I get in my car in Kenora, and I drive west, I am 1,900 km from Queen's Park. If I drive west, I end up in Golden, B.C. in 1,900 kilometres. That is three provinces. You are into the fourth. That is three planning acts; that is three legislative buildings all making policy for the areas, and we have one at Queen's Park making policy for somebody 1,900 kilometres away or 1,000 kilometres

straight north. It does not work. It cannot work. You cannot connect the dots. It is too big an area. That is what we have to change.

We have been saying that for years, and it is not—I am not pointing a finger at this government. I started in 1991 in municipal politics, and I have worked with all three parties, and I said the same thing to every one of them. They all said, “You're right. One size does not fit all. We are going to change that.” It has never happened. They have never changed it yet, so, until they start including the municipalities, the First Nation communities in Northwestern Ontario, in the decision-making in the land-use planning policies and the resource-based policies, we cannot win. But when we put this all together, and you use the expertise of the people that have walked the walk, then it will boom. The North will boom.

I do not know Toronto. I do not want to be involved in your land-use planning. I do not want to be involved in the island airport planning. But, I will tell you what. I know Northwestern Ontario a lot better than the people that live here. We are just saying include us in the policies, and it will work.

TG: Great. Gerald, you have invested a lot of money in the North. How is working with all the different ministries working for you?

GP: Well, I think Detour Lake was a bit of a special

situation where there used to be a mine there before, so I guess with the mining lease and acquiring the mining titles was the first good thing we did a long time ago. We secured our access to the surface, right, so we did not have to necessarily deal with the same things of somebody starting from scratch. There is a big difference there; however, it does not mean that the government cannot be a little bit more proactive. You see, mining is a tough, tough business. We are not going to go out of there. But, you know what? Canada is a resource country. Ontario has a lot of resources, and if you want to develop your mining sector, the government is going to have to help. It is diversified—the resources in Northern Ontario. You know, there are plenty of them from forestry to agriculture to people. But if you want to keep your skills, if you want to keep Bay Street running with resources, you need to start thinking about proactivity, and you have to try to help the exploration come back and the development because, currently, there are probably very few dollars spent in exploration in Northern Ontario.

TG: It is also a long curve between exploration and—?

GP: Of course, it is, but do you want to react to the Ring of Fire, which was discovered, say five years ago, and take ten years to build? Or do you want to be proactive?

TG: Thank you. Now, really this is almost the same kind

of question, but we have talked a little bit about all the different ministries in government. That is just one thing, though. You said that there are these great opportunities, such as lots of infrastructure opportunities that you are looking at—agriculture, forestry, great expansion opportunities in the North. What other barriers are there? What is preventing these opportunities from happening? I would like to start with Lawrence on that.

LM: Barriers? Humans. It is just the humans that are the barriers and a lot of it, I guess, where now, in my case, and I keep going back to where I come from, who I am, because we are new players in the business. We are new players in government, and we want to be able come forth and bring our ideas in. So, there is a lot of struggle with that.

And because Canada is made of so many treaties across the country, it is complicated in terms of that relationship with ourselves, with the treaties and also with the provinces. The Province of Ontario, especially, last year, has been really good to us. We have been able to work very progressively, and even though Canada really has not been there. So, I think that part, not knowing your country, not knowing the history, has been a real barrier to a lot of people understanding.

Of course, certainty is another question. There are a

lot of certainty issues with First Nations, and those are the things we are trying to overcome; we are trying to deal with them, so that we understand business; we participate in a good way; and we also benefit from it. And I think that is the big change that is happening. We do not want to be spending a lot of time in the court rooms. We want to spend time in the boardrooms.

TG Thank you. Thank you, Chief.

I will not ask you to hold your applause until the end, because they are all saying good things. Joelle, you have sort of introduced agriculture to this discussion, and I do not think we in the south—southerners like me—ever think of anything growing up there in those northern communities. So, what are the barriers, other than maybe our mindset on that?

JF: Some of it has been resetting the mindset. The barriers, if we look at it, are largely from government, the ones that are procedural. We actually have a lot of the policies that would make agricultural development very possible, but, in how those policies are actually administered, they do not allow for security, predictability or consistency around building large-scale farms.

The second one is kind of how we look at, then, the ministries working together, so I am talking about some of your thinking around whether ministries can work together and how you make that happen. If you

look at our model, we have recreated how farmers and investors actually partner. And the best article that I can look at for how on we have done that is one by Michael Porter, who talks about shared value. The article essentially says that we are not dividing a pie; we are growing a pie, and I think that is really the case here. About one million acres of land have been lost to urbanization in Ontario in the last decade alone, and that amount was also an amount that was farmed at one point in Northern Ontario. So, redevelopment of that land base is a totally practical solution to help with the world's food needs and Ontario food security on its own.

And I would have, about a year ago, told you that the barrier was going to be capital, but through what we have been able to do in other provinces, we can actually now bring capital to the table for this particular project. And so, actually, getting down to figuring out with partnerships with First Nations, municipalities, the provincial government and the various ministries involved in all the parts of the process to bring land into agricultural production is a really big step, and the barriers are, in my mind, pretty small.

TG: Great. Exciting. Jamie.

JL: Thanks. In our sector, in order to grow this renewable resource and capture all this economic activity, we need two things: We need consistent access to

affordable fibre, and we need customers. And so, we see the barriers right now as bad public policy, and, by that, I mean provincial policy that has passed before their socioeconomic impact analysis is done, and scientific due diligence. So, that is a huge concern for us because this bad public policy keeps coming out, and every time it comes out, it shrinks the fibre basket. Less wood means less jobs, less economic opportunity. So, that is number one.

Number two would be the arbitrary, misinformed bullying campaigns by job destroyers—job destroyers groups like Greenpeace and other lobbyists. They target customers of the forest product sector and convince them not to buy product sourced from Ontario’s boreal forest. These are arbitrary campaigns launched on misinformation, and they often result in apologies that have to be made, and we are looking for government leadership. I believe it is starting with Minister Mauro. He has already made first steps in this area, but the premier in Québec just last month went on CBC Radio, and I will read his quote. The premier of Québec said—and I quote, “If the goal of some is to ensure that there is no logging of the boreal forest in Québec, they can forget it. There will be responsible, durable use of the boreal forest in Québec. Second, if the objective is to protect the woodland caribou by eliminating hundreds of jobs, it will not happen.” So, I

think this the kind of support, you know—often when I say the word ‘support’, people think we are looking for money. We are looking for that kind of support, you know, for leaders to stand up and say, “We’re not going to turn the boreal forest into a park.”

TG: Okay, thank you, and if you could speak a little bit more directly next time, I would appreciate it. I am having a little trouble understanding what your position is. Mayor Canfield.

DC: Yes, a good follow-up. I mean, some of the challenges that we see—and Al and I and our organizations have been fighting this for some time—are, again, the non-government organizations, the Greenpeaces of the world to reinforce action at work, no matter who it is, and these people have had such a huge impact on policy for Northern Ontario. They live in California. They have done a great job down there, and they are implementing policy in the Province of Ontario when they have never walked the walk.

One of the biggest challenges we have is trying to clarify that misinformation. If you are telling people in Toronto and around here you have got millions of people, and if you tell them cutting trees is a bad thing, they are probably going to believe you. And the thing is, how do we educate them? How does that 6% of the population in Northern Ontario that knows better, that actually knows the real science and actually

knows what trees really do, how do you get that message across?

I want to go a bit into the solution. I know you are looking to barriers, but part of the barrier here is one of the solutions, and that is *Trees Are the Answer* and Patrick Moore, who wrote that book and is the founder of Greenpeace. The thing is trees sequester carbon from about 20 years to 80 years old and emit oxygen. Twenty-year-old trees give off a lot of oxygen. Once they hit 80 years old, basically, their lifecycle is done. There is no such thing as the ancient forest that the environmentalists will talk about of Northern Ontario. It is a 100- to 150-year-old forest. It will go down with a forest fire, with bugs or beetle. It will die. All that carbon goes back in the atmosphere, so we are talking a lot about climate change.

And Glenn Murray made a presentation to the AMO board last Friday. I said, “If you are serious about climate change, and you really want to do something about it because we are not carbon neutral—the environmentalists say it is okay for a forest to burn because another grows; it is carbon neutral. We do not live in a carbon neutral world. I am sure most of you here drive a vehicle, so the thing is trees are the answer. If we cut more trees and plant more trees and sequester that carbon at about 100 years old before it gets back into the atmosphere through a forest fire or

through a blowdown or through a bug kill, then you are going to be serious about climate change. That is one of the answers. You know, we quit burning coal in Ontario, I guess at the end of last year, because coal emits carbon dioxide into the atmosphere, so we quit burning it, but yet some years, we burn more forest than we cut to do the same thing, and they do not even produce energy.

JL: Ted, can I just add something for context?

TG: Sure.

JL: Because I forget where I am talking, and so, to me, it is just natural, but I do not want people leaving here thinking that, you know, Ontario’s forest sector is clearcutting and, like, there is not a tree left in Northern Ontario. So, to set everyone at ease, the last time we took a head count, there are about 85 billion trees in the province—

TG: More than ever.

JL: —give or take a couple, and our sector harvests annually 0.5%. Think about that: 0.5%, and with that 0.5%, we support 170,000 hard-working citizens in 260 communities. That is not a bad return.

TG: Great Jamie.

Mayor Spacek, I will give you the last word on this question about barriers.

AS: Thank you, Ted. And Jamie finished off with what was going to be my opening statement, so I will simply

add to that: We harvest these trees, and, on average, when we harvest one tree, we plant three to replace it. We have a long history of being good environmental stewards. We live there. We have lived there for generations.

I have to, though, mention that, really—and it has been mentioned time and time again here—our biggest challenge are the environmental groups and the population outside of Northern Ontario. They do not have any concept of what we are doing in terms of our economy. It is a challenge, and I think it would be helpful if the senior levels of government were more vocal about the opportunity, the fact that we adhere to some of the highest environmental standards in the world, especially, in forestry. That would be helpful, because right now they are just hearing it from two groups. They are hearing it from the environmental groups who are targeting the customers of our forestry companies, and then they hear the dialogue back and forth from the forestry company. But, there is a good news story out there, and it needs to be told by the more credible members of society, such as the senior levels of government.

TG: Thank you. Thank you Mayor Spacek.

Let us move on to the subject of energy and power production in Northern Ontario. You know, there are power plants all across Northern Ontario—Cochrane,

Atikokan, Kirkland Lake. How do you view the government's understanding of the importance of power plants in the North, in particular, how critical they are to local economies other than just about power and electricity? I would like to start with Gerald because I know you have some opinions on energy in the North.

GP: Well, I think power is at the essence of basically opening the ground as a gateway. If you have more power supply and cheaper power, of course, that does not have to travel from Bruce or from Southern Ontario. The whole Ontario grid is all connected all together. I mean, the electricity that you buy at Detour Lake can come from many different places in Ontario depending on the demand, and somebody's networking it, but there is a cost to that.

I think if we want to develop the North and demonstrate that there is cheaper electricity there, we should definitely look into a strategy of developing the power in the North because this will be opening up more mills, more transformation, more industry. You already have the railroad. I am not sure if people understand why the North already exists previous to mining in Ontario. It is because of the railroad, which was an investment in the 19th century to open up the ground in the clay belt, which became an agriculture, where a million acres started. That is how you open new ground: By

investing into something that will be sustainable and renewable like power. That is one of the resources that is not tapped in the North, and I think this should be definitely looked at in terms of strategy.

TG: Thank you, Gerald. Jamie, what is your view on government in this? And, you were a former mayor of Timmins, so you probably have a very good position on this?

JL: Well, just this past February, OFIA, our association, wrote to six ministers, for example, in support of non-utility generators in the province, and we specifically requested that the Cochrane Power facility, their current agreement, be extended because there is so much uncertainty, and uncertainty is the one thing you never want in business.

The reason why we are so supportive of that non-utility generator—and I should mention Mayor Politis from Cochrane is in the room, so, Peter, I hope I am not saying anything out of school—is, for our sector, we rely on a non-utility generator like the Cochrane Power facility because that is who takes all of our residual value from our mills. We are a highly-integrated sector, and we rely on being able to sell our residual value, our waste bark, our biomass to NUGs—sorry, acronym. And so, it is critical that those non-utility generators who have been existing and providing power for generations have some certainty because the lack of certainty that

they have only creates more uncertainty for our sector.

TG: And it is a bit of irony the, as we look for power, places to produce power, that willing hosts like Cochrane and other communities are just ready, willing and able. Mayor Spacek, your comments, please.

AS: Well, I think I will use an example that occurred just within the past week where the provincial government some years back rolled out a program to open up water power, potential water power sites in Northern Ontario. They went through a process. There was a company, Xeneca Power, that was very successful in doing that. And this past Tuesday after a number of years trying to develop those sites, they announced that they are going to pull out of that project. That was 14 hydro sites amounting to almost \$300 million worth of investment, and they could not seem to get through the process.

And I go back to my comment earlier about having one point of contact in the government to navigate through the process. So, one arm of the government was awarded the power purchase agreement and released the sites, and now they have to deal with the other arms of government in getting through the permitting process, so, clearly something is broken, and we need to address that.

I think that there is great opportunity there. There are still lots of development opportunities in the North.

I know that in Ontario's long-term energy plan, they acknowledge that there are over 10,000 megawatts available to be developed in Northern Ontario. And to give you some perspective, a nuclear generator generates somewhere between 500 and 700 or 800 megawatts, so the average output from a nuclear generator is around 700. So, we have 10,000–12,000 megawatts available to generate in clean, renewable hydroelectric energy. We need to sort the process out a little bit in terms of achieving that.

TG: That is actually equal to, like, three Niagara Falls generators.

AS: That is correct.

TG: Yes, that is amazing. As a group, you have very well expressed a lot of opportunities in the North to our audience here and articulated some of the barriers. I am hearing a lot about infrastructure. I am hearing a lot about how, usually, organizations get in their own way in their thinking—paralysis-by-analysis kind of thing. I know, Jamie, you have talked about a fact of there are lots of plans, right, in place on the North, lots of study?

JL: Yes, there are a lot of strategies, lots of growth plans. You know, and I certainly echo Mayor Dave and Mayor Al with their views to ask for someone who can act on behalf of industry and sort of streamline the process. Every time we have asked for this—you know, I can

remember out of Minister Ramsay's report back in 2005 when we asked for process streamlining, we got more process. So, I am always afraid of what we ask for. So, "open for business" has not opened business for us. It has not made it easier. And I think you cannot ask the same people that have created some of the issues to solve the issues, so, when I hear them asking for one person, one place to go, one stop, you know, I think it has to be like a business commissioner. So, this province has an environmental commissioner; I think you need an arm's length business commissioner that can get things rolling again.

TG: Would that be for just Northern Ontario or all of Ontario?

JL: Oh, I include everybody—two GTAs, right. I have got a foot in both parts of the province, so...

TG: Another example that I would like you to comment on because we are doing well on time here is the *Far North Act*, which, I find, has an interesting title, given that the 49th parallel actually splits Ontario and half of Northern Ontario is just above the 49th parallel; half of it is below. I think, actually, Winnipeg is further north than Northern Ontario, yet we are calling the act the "*Far North Act*" in the process thereof. I know you had some comments, Lawrence, on that.

LM: Forty-ninth parallel—did you know that Treaty 9 encompasses two-thirds of the province? Two-thirds

of the province is Treaty 9. We have 49 communities within that, which includes 49th and other numbers, but the point is, you know, a lot of times we do not realize what is happening in this country and, definitely, what is happening in the province. So, it gets me a little upset when we, as First Nations, do not get an opportunity to participate in all these plans that we are talking about here. We never get a chance to do it.

But, now, I think because the need, you know, is so great in our communities, we have to get involved, so now we want to be able to take a look at what is happening, and, you know, for us to come in and say, “Well, this hydro power from Ontario—hydro is wonderful, but it’s very costly, so we look at something else instead. Is that okay to do?” Can we think outside the box? Because when you look at Northern Ontario with all these remote First Nation communities—there are 49 of them—they all have little airports. They have no road access, except in the winter time. So, we have to take a look at that and say, “Oh, yeah, there are all these people living there; we have to include them.” So, any other plans from here on in just have to include our people because we have needs—and we have many things that we can contribute as well in terms of how we treat the land and how we treat the animals and how we do all these environmental studies so that the industry that comes in does not destroy anything;

we cannot have just people cutting trees. There are stories, ceremonies to trees. There is life in all of this, so we want to bring that to the table and, at the same time, keep in mind cost is a factor in terms of how we do business. So, we want to look at it from a practical perspective as well.

TG: Great. Thank you. Now, all these opportunities, all these barriers, ways to overcome them, you have identified, so, I would like each of you to tell our audience what you think government has to do, what you think others have to do, and what you are going to do to make all these opportunities happen. I will start with you, Dave.

DC: Well, I guess this is the challenge time, and it is a pretty easy challenge. Minister Gravelle is sitting right here. He is a great friend. He is very passionate. He is now the Minister of Northern Development and Mines and minister responsible for Northern Ontario, and Minister Gravelle is passionate on knowing that, as I talked said earlier, Leo Bernier, is the King of the North, because of the first phase of development that opened up and the industry followed it. Mills expanded; sawmills popped up; mining opportunities popped up. Right now, we need phase two of infrastructure into Northern Ontario to connect these communities now by roads and by power lines, not just by airports. I know that Minister Gravelle is passionate about this. I know we

have got Minister Mauro, Minister Murray, Minister Oraziotti, Minister Leal, who are very, very keen and interested in being on that team. And what we, myself and Mayor Spacek and our organizations and our mayors in our communities working with the First Nation communities are going to do as we represent Northern Ontario—we have built a lot of bridges there over the last 15 or so years—is sit down with our new King of the North and plan out the infrastructure needs, but have us people involved in the planning.

And I will give you a real good example, and it goes back to the energy question. When you asked about the energy question, I was going to pop in, and I did not. The Northwest Ontario Municipal Association has an Energy Task Force. It is made up of volunteers. Some of these people are very smart people, but they are volunteers. We do not get paid for that. We do it out of the goodness of our heart, for the love of our community. The OPA, the Ontario Power Authority—pardon me for the acronym—does the same thing. We both did a paper on energy needs, future energy needs up to 2030 in Northern Ontario, specifically, Northwestern Ontario, for our purpose. We were that far apart. These people down here make a lot of money to do planning, energy planning. We make nothing. Guess who was right? The volunteers from our organization were almost dead on with respect to what

we will need for energy resources in the future. The people down here planning, making a lot of money, being paid a lot of money to do it, were wrong. Every time we met, the gap kept getting smaller. Minister Gravelle, tell me if I am wrong. At the end of the day, guess what? We did not move very far on our energy task force. They moved a long way. That is what I am saying. Until you walk the walk and until you know because you live there and you live it, you work it and you love it—if we are not part of the solution, then Toronto is going to be a part of the problem.

TG: Thank you. Thank you, sir. I am going to ask Gerald Panneton. What would you tell government? What would you have others do, and what would you do yourself to make these opportunities work?

GP: All three?

TG: Or pick one. Your choice.

GP: Well, I think some of the very good points that were discussed by everyone around the panel this morning and around this lunchtime amounted to, you know, there is definitely a lot of work that has been done. There is a lot of work that needs to be put forward. I think there is development strategy that should be done by a team from the North. Maybe we can call them the 49ers. I think this—

JL: It will work.

GP: Yes, it may work.

JL: As long as it is bilingual.

GP: Of course.

JL: Okay.

GP: You know, I think in concert with the interests of government, eliminating uncertainties is important. Nobody is going to invest if there are uncertainties. Every project will go off and lift up if there are no more uncertainties. As long as there are, you can fight them. So, I think if there are names to be leaders to lead this and develop a strategy to develop the North, it needs to be done in concert because it is very diversified, and we need to have everybody on board, especially, the First Nations, especially, everyone around the North who lives there in the North. And then you can represent yourself and make sure Mr. Gravelle gets re-elected again.

TG: Jamie, what would you tell the government?

JL: Well, I think in order for the North to get its share of the \$20 billion in economic activity that is coming down here in the country, we need government to hit the pause button on all policy that would impact the wood supply in this province until clear and transparent economic impact analysis has been conducted. We need the government to place a moratorium on all caribou policy until a scientific study can validate the relationship between disturbance and population growth. MNR just spent \$11 million collecting

data over the last three years, and that data clearly demonstrates that the two-caribou ecotype theory may no longer be valid, so, that is why we are asking for a moratorium.

And, lastly, we need government to strike a working group with an objective of reaching 2004 harvest levels and direct jobs of 95,000. So, right now, we are at about 57,000. We were at 95,000 before the recession. There is no reason we cannot get there again.

And in Québec, just last month, five mayors struck a new alliance called the Boreal Forest Alliance. The premier of Québec has endorsed it and, again, their objective is this transparent economic analysis as well as more data on caribou because it is shrinking the wood supply, and, as I said earlier, it is really simple: Less wood, less jobs.

TG: Okay. Grand Chief Lawrence Martin, First Nations have a huge role to play. What do the people you represent and other First Nations have to do to realize these opportunities?

LM: Well, the first thing I have to do is write a song called a "Ring of Fizzle" (laughter)

TG: That is what happens when you have a Juno award winner as a panelist.

LM: What I have to do is ask the government to work with our First Nations and to make the pie bigger. You know, we talk about these opportunities, but sometimes the

opportunities are just too narrow. We have to make the pie bigger, so that it includes areas, such as in our area, where I come from, Mushkegowuk area, which is James Bay, Hudson Bay. When we have been talking about the Ring of Fire for the last five years. Mushkegowuk's part in all this was non-existent. We had to find a way to come in and there was some concern that there might be some environmental issues we have to deal with because we are all downriver from all this development, and our EA reports show, yes, there will be impacts. We will get a couple of monitoring jobs out of that, but we wanted to play a bigger part, so we started asking, "How do we come in not begging but to actually propose business ideas?" So, this is where this rail idea came in and the seaport and this energy from Québec that I keep mentioning. This is how we want to play, so, we are deciding how to play it instead of being asked or even ignored. And the communities—not only in Mushkegowuk, but Mattawa—have been talking about how we work together because they also need infrastructure. They need water and sewers and houses, and they need electrification in their communities, and they want it now. Although there is a lot of power in the province, as was said, it takes a lot of time and costs a lot of money. Many of our communities are suffering. The elders are suffering. They can hardly pay for the

rent or pay for the hydro because the cost is just too high, but is it possible that, by working with another power energy source—from Québec in this case—we can actually help our people, help the industry and as well help the relationships. You know, something was mentioned about what is going on in Québec. Well, it is the cheapest power in the country. Why not work with them bringing that power here?

TG: Thank you. Thank you, Lawrence. I think you know the whole concept that our First Nations' communities have gone diesel. Diesel generation is a disgrace, and we need to fix that right away. Where power flows, people grow. It has been proven over and over. We do not need a study to prove that.

We are going to open up the floor for questions. While we are just getting set up for that, I am going to ask each of our panelists to answer this one question, and it is in summary: Here in Ontario, what is the state of the North? I am going to start with Gerald.

GP: It needs injection of capital. It needs support. It needs a lot of things because it looks stalled.

TG: Jamie.

JL: I would say promising, but uncertain, and the North is in great need of pragmatic provincial policy that wholeheartedly supports the continued sustainable use of Ontario's renewable resources. And I know I am starting to sound like a broken record, but you

can see how much we need this, too, transparent socioeconomic impact analysis.

TG: All right. Mayor Spacek?

AS: I think, in short, it is collaboration. I think the *Far North Act* that you referred to earlier was our wakeup call. When we woke up one morning and our First Nations' neighbours and communities read about the *Far North Act* in the paper—something we had not been involved with—we took that as a message that we needed to organize. We can no longer operate in an independent community or economic silos, and we made some real inroads in that regard.

Northeastern and Northwestern Ontario and First Nations community Anishinaabe Nation are working very closely together to get our house in order in terms of communicating that we have a real story in Northern Ontario, and I think that it is important to state that. You heard about some challenges here, but we cannot overstate the economic opportunity up there, and it will certainly be a big boon to the province. I have often liked to coin the phrase that if Ontario is supposed to be the economic engine of Canada, the fuel for that engine is in Northern Ontario. I think you are going to see some real progress in that way. It is important to point out that this current provincial administration, I think, has a willingness to do that. Premier Wynne has been a champion of Northern Ontario and you mentioned

some cabinet ministers earlier. They are certainly on board, but the most important player on that team is also on board, and I think that is a very positive step. We have some good things to look forward to.

TG: You should run for a high office because that was the longest summary I have ever heard, but well done, well said. Mayor Canfield, what is the state of the North?

DC: The state of the North is phenomenal. It is ripe for investment. We have an unbelievable amount of sustainable resources. All we need is the infrastructure to make it happen, and you have hear that consistently all day.

TG: Joelle, what is the state of the North?

JF: I think it could be a new heart of Canadian agriculture, and it would not take a lot of work, but it would take work together to get it there.

TG: Thank you. And Grand Chief?

LM: I am feeling very optimistic. This is why we keep developing these infrastructure corridor plans in hydro, rail, seaport, just in case somebody does push that button at the Ring of Fire and things are starting to move. And I am optimistic also because we always have opportunities to develop partnerships. We sign MOUs to work together. We just signed an MOU with the city of Timmins in the hopes that we will have a smelter in Timmins, and our rail system is going to be the one to bring the ore down to Timmins and create

jobs as a partnership with them and our First Nations in the area. So, I am totally optimistic about that and about seeing the possible savings that the province would have in beginning to work with us in these projects.

TG: Great, thank you. Now, do we have questions from the floor anywhere

Q: I want to thank the panel for this excellent discussion on an important issue, and I think this should be a regular feature of the Toronto business community on a regular basis—to hear from the North. It is an important audience. Although I am not from the North, I have learned a lot today, and I think it is great. One of the organizations I work with is the Ontario Association of Community Futures Development Corporations. They have a huge network of development corporations in the North that are working with communities and particularly important is a business community in the municipalities.

I would like to just ask maybe the panel to comment on their thoughts on how we build that relationship between the business community, municipalities and economic development corporations and community futures development corporations that are based in Northern Ontario to help get your message out and help build Northern Ontario?

DC: If I can start that, because that process in Northwestern

Ontario has already started. We have our Northwestern Ontario Municipal Association AGM, which is on the 24th of April in Thunder Bay. We also have the fall conference that is actually a joint venture between NOMA and the Development Corporations and the Northwest Chambers of Commerce. So, we have started that and bring in very interesting speakers to speak to all of us. We have connected those dots. We are good at connecting dots in Northern Ontario. We have not been successful in connecting all the dots across the province.

Q: I am Mayor Peter Politis, the Town of Cochrane. Hello, everybody. I am really happy to be here, and I am really excited about the opportunity that the Empire Club has put on for everybody to realize what we in Northern Ontario realize, which is what the vast potential that exists in Northern Ontario is, and it is the beautiful way of life that exists here, which we often say is the greatest way of life in the best backyard on the planet. I would also qualify that, however, to say that what a shame that in 2015 we still have all that potential sitting in Northern Ontario.

A hundred years ago, the legislature here, the government itself, set out to realize that potential and recognized the frontier that was there. And, certainly, if Northern Ontario is not the last frontier in Canada right now, it is certainly one of the last frontiers.

So, I have a bit of a statement and then a quick question to follow up. I have often said that capitalism is buying two cows, multiplying them into 40 cows, selling those cows and retiring, but you still have to buy the two cows. And if you do not get the concept in capitalism of investing the money to make money down the road, then you do not make that money. And the problem with Northern Ontario, if I can offer a suggestion, is that a big part of the challenge for us is investment, and you have heard that from a lot of the panelists here right now. We have not put the investment in place to realize the potential that exists here. We have not invested in enough roads; we have not invested in enough rail; we have not invested in IT infrastructure; we have not invested in enough critical infrastructure to attract the money from all over the world to be invested in Northern Ontario. And a perfect example of that is the Ring of Fire. If the investment had taken place that this part of the province set out to do 100 years ago in Northern Ontario, the Ring of Fire would be working right now. But, that infrastructure is not there, and we are still trying to find way to get past a lot of the bureaucracy to get to the results and the challenges that exist in industry. So, investment is key. And I agree with a lot of the panelists who talked about planning. We are missing out on one of the key elements of driving any development opportunity

and that is planning. Where is the plan? That does not involve one sector or the other, but where is the plan that involves the government, that involves the leaders in Northern Ontario, that involves the industry, that involves the First Nations community, that involves everybody who has a vested interest to see that investment come to fruition? Where is that plan? And that is a key element for us to move forward. So, my question to the panel is, quite simply, what is your vision for Northern Ontario 20 years from now? We cannot have a plan if we do not have a vision. And when we have the vision, the plan is the roadmap to that vision. I would like to hear from the panelists and, yourself included, Ted. What is the vision? Where do you see Northern Ontario 20 years from now?

TG: Okay, we are going to answer that as quickly as we can, given our time limits today because I think the vision had actually been quite expressed by a lot. I am going to ask three panelists to do that. I am going to ask Joelle; I am going to ask Al; I am going to ask Gerald. Okay, so Joelle, what is your vision in the next 20 years?

JF: So, you are looking at Canada or at Northern Ontario as being one of the last frontiers, and I would say it is new farming frontier for this province, this country and the world at large, which has more people eating than ever before—more quantities of food consumed.

And we are actually one of the very few places where agriculture is completely sustainable on the basis of water, which is one thing very rare in a lot of other parts of the world.

TG: Thank you. Mayor Spacek.

AS: Thank you. I think that, in 20 years, you will see a very competitive and modern forest industry. You will see a continuation of the expansion of the mining sector; you will see responsible mining operations going on, but I think the new player, as Joelle said, will be agriculture. We have a phenomenal amount of land up there in our little area between Kapuskasing and Timmins, as an example. We recently did land inventory, and, as Gerald mentioned earlier, when the railway came through, the federal government started a program to settle Northern Ontario through an agricultural initiative. And an industry came in, and they went for the richer jobs, but, as a result of that initiative, we identified there are a million acres of vacant Class 3, Class 4 agricultural land, so, that is not forestry land; that is not Crown land; that is a million acres of land that is available for agricultural opportunities in just that little area and pocket of Northern Ontario. So, we have the opportunity, I think, to start feeding Ontario and the world. You may know that Ontario imports 40% of its meat, and I think we are going to play a big role in filling some of the voids there. There are no

more agriculture opportunities in Southern Ontario; it is go North young man.

TG: Yes, Gerald. Jamie, you are so shy.

JL: Yes, I am. I know. I have got to work on that. Right now, we are the second largest industry sector operating in Ontario. In 20 years, we are going to be the largest industry sector operating in Ontario, and the one thing I know about the people in the North and the one thing I know why we are still here is because we are persistent. And I would like to read one of my member's quotes—a family-run operation: "We've weathered recessions and depressions, world wars and fires, but our passion and commitment to sustainable forestry has never abated. For me, sustainability is not just a buzz word; it means that I have a responsibility to ensure that the forest is taken care of so that my kids can be the sixth generation to sustainably harvest timber from Ontario." Well, I want you to know that I know the mayors that I have worked with, my member companies, are going to make sure that we do everything we can, so that, in 20 years, Jamie McRae's sixth generation is operating McRae Lumber.

TG: And Peter you asked me to give my vision and my vision is quite simple: The people in Southern Ontario 20 years from now will be as familiar and love Northern Ontario as much as I do.

JL: Oh, hear, hear.

TG: And, on that note, I would like to invite Mr. Kevin Howlett, Executive Vice President of Air Canada to give some thank you remarks to our panelists. Thank you.

**Note of Appreciation, by Kevin Howlett,
Executive Vice President, Air Canada**

First off, thank you very much. A big thank you to the panelists and everyone who participated in this forum today. It is, particularly, I think, relevant to this country, to this province and, certainly, to us at Air Canada that we understand some of the challenges but, more importantly, the opportunities that are associated with doing business in Northern Ontario—a terrific and strategic part of this country and this province that has such untapped potential. This certainly became very obvious to anyone who was listening to the panelists here today.

At Air Canada, we see that potential every day in Northern Ontario, and you may not realize it, but last year we flew close to three-quarters of a million passengers to and from Northern Ontario cities into our global hub here in Toronto. And while we just finished the first quarter of this year, we see those passenger numbers actually trending upwards. We have got 31 daily flights every day into the region of Northern Ontario. That totals to 400 flights a week, and we have got a huge investment in the North, and we see our investment actually growing in Northern Ontario.

Now, I think as you heard from some of our panelists this morning, an improving business climate will drive new business and will drive jobs and the need for the North to be able to reliably and competitively connect to the rest of

the country—and more importantly, to the rest of the world. An efficient and a competitive air service—I do not think anyone will doubt—is a proven economic enabler for any community, and Northern Ontario is no exception. Northern Ontario has a real strategic advantage given its proximity to our global hub here in Toronto. Air Canada and its network offers communities and businesses throughout Northern Ontario an incredible value proposition by being able to connect passengers and goods and facilitate trade with over 200 destinations within this country and around the world within one stop. So, if I live in Timmins, Ontario, I am one stop from Hong Kong; I am one stop from Frankfurt, or I am one stop from New York, and that is a huge strategic advantage and huge economic enabler as you set out to harvest the bountiful resources that the northern part of this province has had. As well, this is a tool available to few regions around the world, and this is both to your benefit and to the benefit, obviously, of us here at Air Canada.

Air transportation offers an incredible ability to increase economic development, and, as long-standing partners with communities and companies in Northern Ontario, we certainly hope to be able to continue to work with the province and with Northern Ontario to identify new opportunities throughout the region and to really unlock the potential that this wonderful section of the country and the province has to offer. Thank you very much.

TG: Thank you very much, Kevin, and thank you very much for your sponsorship. That is the best draw prize we ever had, and Air Canada was also responsible for flying down many of our guests, and we thank you for that.