

# Position paper adopted by Penetanguishene policy-makers

Earlier in the year, the Town of Midland and the Town of Penetanguishene were approached by the Ad Hoc Committee of the Midland Penetanguishene Joint Manpower Assessment Committee with a proposal to form an Area Economic Development Committee.

Penetanguishene was invited by the Town of Midland to discuss the subject further in order to explore the desirability of such a joint venture and how it could be done.

The Council of the Town of Penetanguishene asked its Industrial Commission to explore the proposal made by the Ad Hoc Committee and to recommend to council areas in which a closer liaison could be entertained between the two municipalities.

At its last caucus meeting, Penetanguishene council adopted the following brief submitted by the Industrial Commission:

## INTRODUCTION

At our April Council Meeting an Ad Hoc Committee of the Midland-Penetanguishene Joint Manpower Assessment Committee formed by the Town of Midland and the Town of Penetanguishene to seek a designation and assistance under the "Industrial Labour Adjustment Program, (ILAP)" petitioned Council for authority to develop a proposal that could be considered by both municipalities for the formation of a Joint Economic Development Commission.

A similar brief had been submitted to the Midland Council the previous meeting (see copy attached). The essence of this Ad Hoc Committee proposal provides for a municipally supported economic or industrial development commission with appointed directors and a commissioner to promote and encourage new business to locate in the community. It suggests that an estimated budget could be around the \$100,000 mark to be shared on a per capita basis between the two municipalities, or others if they become involved.

## HISTORICAL BACKGROUND

Before we consider an alternative to our present Penetanguishene Industrial Commission, let us examine

what we have, how we are doing and where we have been. At the beginning of this century, the Town of Penetanguishene was blessed with many industries, particularly lumber operations. Most of these industries were located on our waterfront from Champlain Road to Broad Street. The obvious reason for these industries to be so located was because the railway line coming direct from Barrie (Allandale) was in that area.

In the 1930s and 1940s, many of the lumber industries that remained were destroyed by fire. That, combined with the fact that the lack of a replanting program had left our forest stocks seriously depleted, made rebuilding these industries economically unfeasible. In addition, several other industries closed during the Depression years, largely because they had not kept pace with technological change and failed to introduce modern machinery. They had become, quite simply, uncompetitive.

The "coup de grace" for Penetanguishene's industrial position came in the early 1960s, when Beatty Manufacturing, Breithaupt Leather Company and International Cooperage closed their plants. Again, these industries had lost their ability to be competitive in the marketplace because of failure to keep their plant and equipment up to date. These closures were followed by those of the Fern Shoe Company and the Beck Lumber Company.

By 1964, rail service to the municipality was discontinued because of a lack of demand, and "intolerable" annual operating losses.

Until 1963, industrial promotion was the responsibility of the Penetanguishene Chamber of Commerce. The Chamber's last major involvement in the field, however, had come in the 1950s when the Fern Shoe Company threatened to close its Penetanguishene operations if it did not get assistance towards the construction of an addition to its factory.

Local businessmen banded together to help finance this addition and persuaded the municipality to reduce its assessment for a number of years. Fern

Shoe prospered once again until the 1970s.

By the middle 1960s, after the closing of a number of plants and the shutdown of rail service, Council realized that a major initiative had to be launched to reverse the industrial decline in the community. With this in mind, it subdivided and serviced an industrial park on town-owned property at the corner of Robert Street and Fuller Avenue.

Services were installed to part of this park, attracting immediately Advanced Extrusions Ltd. and Decor Metals Ltd., to be followed by Chemical Valley Fabricating and Techform Products Ltd. Almost instantly, in terms of both job creation and assessment, the attraction of these industries justified Council's initiative. Most of the remainder of the park was serviced in 1975 through profits from land development on Yeo Street. Today, there are 14 industries located in our industrial park, employing an estimated 760 workers.

## PENETANGUISHENE INDUSTRIAL PROMOTION

Council first appointed an industrial commission in 1963, with a mandate to develop an industrial strategy for the municipality, and to handle both industrial promotion and inquiries. This commission was composed of two or three councillors, and four to six ratepayers. The Clerk has been the commission secretary in most of the intervening years, and the Mayor acted as chairman. Only recently has one of the commission's non-elected members assumed the role of chairman.

Penetanguishene is in a somewhat unusual position when dealing with industrial inquiries. As the sole owner of vacant industrial land, it is the municipality itself to which inquiries are addressed. And for this reason it is municipal officials with whom industrialists want to meet to discuss their needs.

Virtually all industrial inquiries, therefore, are handled by the Clerk's office in conjunction with the Mayor and/or Chairman of the Industrial Commission.

Because of the confidential nature of these inquiries, they are dealt with in the strictest confidence, in conformance to the practical realities and policy of both Council and the Commission.

The use of the municipal clerk as secretary has both advantages and disadvantages for the Industrial Commission.

On the positive side, it ensures the secretary has an established office, and is a full-time employee with all the resources of the municipality at his disposal. Further, as the senior official in the municipal hierarchy, the Clerk has been able to facilitate the adoption of Commission recommendations to Council.

On the negative side, the use of the Clerk as secretary means he must handle Commission matters on a part-time basis only. The bulk of his time, and his greatest responsibility, concerns the day-to-day operations of the municipality as a whole. The ongoing work he does for the Commission consists mainly of responding to and following up on inquiries, and acting as the liaison between Council and the Commission as noted above.

What suffers, therefore, is industrial

promotion. The Clerk has only limited time, as do the Mayor and Commissioners, all of whom are employed full-time elsewhere.

The community, while it does have an existing industrial brochure, can be said, in summary, to be doing a good job in responding to inquiries, but a poor one in terms of promotion.

## PROPOSAL OF THE THE SUB-COMMITTEE OF THE MIDLAND PENETANGUISHENE JOINT MANPOWER ASSESSMENT PLANNING COMMITTEE.

As noted above, a written brief was submitted to the Council of Midland while a verbal presentation along the same lines was made to Penetanguishene Council. There are, however, substantial differences in the two.

The one to Midland proposes a Joint Economic Development Committee or an Area Chamber of Commerce, and is very specific in its recommendations.

- 1) It proposes that this new body be funded by the municipalities on a per capita basis.
- 2) The brief refers to the possibility of involving other municipalities in the Tiny-Tay Peninsula.
- 3) In addition, one inference through the brief is that political "interference" is

present, and must be avoided at all costs.

The verbal presentation to Penetanguishene was less specific. It did not encompass an area-wide Chamber of Commerce. Further, the closing statement in the Penetanguishene presentation indicated a toning down of the proposal, in that it called for "authority to develop a proposal that can be considered by both Councils of Midland and Penetanguishene".

The verbal presentation to this municipality is, therefore, more appealing, in that it leaves open for discussion some of the firm proposals contained in the written brief.

We feel that the Ad Hoc Committee of the Midland Penetanguishene Joint Manpower Assessment Planning Committee has done an honest job in launching a much-needed dialogue about ways in which area municipalities can co-operate. The principle of taking joint industrial promotion initiatives is sound, and must be explored for the benefit of all residents of North Simcoe.

In addition, because the economic welfare of the entire area benefits when industry locates anywhere in the

peninsula, any industrial promotion effort must be taken and shared by the six municipalities of Midland, Penetanguishene, Tiny and Tay Townships, Port McNicoll and Victoria Harbour. Anyone who doubts the interlocking interests of these municipalities need only ask the Villages of Port McNicoll and Victoria Harbour about the effect on them of the RCA plant closing.

It should be noted here that through the 1960s, Penetanguishene and Midland often felt in competition with each other. If a new industry located in one community, the other felt slighted, as if it had somehow "lost". Even many of our taxpayers in both towns were vocal in their discontent about the location of new plants in the neighbouring community.

Perhaps we have matured. Perhaps we have simply recognized reality. But whatever the reason, virtually all area residents now appear to recognize that employment benefits from new industry—as employment hardships from plant closings—are shared by all communities in the area.

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