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NEWS LOCAL

# N. Ontario little more than a 'colony' — report

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***Region needs new powers to develop its economy, new report says***

Northern Ontario is little more than a colony of the rest of the province, with little or no control over its economy or its progress, a new report says.

The report, prepared by the Northern Policy Institute, also argues there are alternative governance models for the region that could give Northern Ontario more control over its destiny and economic development.

David Robinson, a Laurentian University economics professor, says Northern Ontario has the size and the economic resources to easily become a province.

However, he writes in his report, *Revolution or Devolution?: How Northern Ontario Should be Governed*, that political barriers stand in the way of Northern Ontario independence.

So, instead of independence, he suggests devolution, where the provincial legislature grants the region more autonomy. Robinson says devolution is already a key pillar of Canada's Northern Strategy at the federal level.

Under this scenario, Robinson says options include granting Northern Ontario legislative powers, creating an elected but advisory Northern Ontario assembly, and the creation of a semi-autonomous district with most of the powers of a province.

"There are no real serious technical, economic or legal objections to beginning a process of devolution," he writes. "It is clearly within the power of the province, and is likely to improve governance of the North and make at least the North more democratic. Furthermore, a strong case can be made that there would be significant economic advantages from devolution of powers in some form to Northern Ontario."

The alternative for Northerners, says Robinson, "is to continue to accept the current arrangement and accept declining influence over their own future."

The challenge, he says, lies in the fact that Northerners "lack the democratic institutions to debate the issue, and southerners have no interest in the project. Clearly if change is needed, it will require a long struggle, first to convince a sufficiently large number of Northerners, then to convince the south."

The release of the report coincides with the growing popularity of an online petition calling for Northern Ontario independence.

Northern Policy Institute said it hopes Robinson's full report will better inform the ongoing debate.

Robinson says Northerners are very unhappy with the way the provincial government treats the region; more than half also believe Northerners can do a better job of managing the region than others.

He said Northern Ontario is larger in size than many European countries and has a larger population (800,000) than many Canadian provinces, including PEI, Nova Scotia, Newfoundland and Labrador, and New Brunswick.

Robinson says Northern Ontario is quite different than southern Ontario geologically, biologically, economically and culturally. "The basic industries of Northern Ontario are forestry and mining," he notes. "That alone makes the economy fundamentally different from that of the south."

Northern Ontario is a resource-based economy, he points out, while southern Ontario is a "modern industrial economy rapidly transitioning to the information age. Northern Ontario's economy is still land-based, while southern Ontario's is urban, and based on human capital."

Robinson says jobs in the North are created by relatively few "big" companies and "big government."

People in southern Ontario know very little about the North and if Northern Ontario became its own province, it would have no impact on the south's economy or prosperity, he contends.

In contrast, Robinson says the North's economy struggles because Northerners have little control over managing the region.

"Population figures tell us that the North is on a path that seems to go nowhere," he said. "The population has been static or declining for 40 years."

"Economically, as a part of Ontario, Northern Ontario is performing worse than any comparable area of Canada. Not only has employment declined, but average employment income and average family income has declined relative to Ontario as a whole";

"Northern Ontario can be best understood as an internal colony of the province of Ontario"; The region lacks any genuine autonomy, is governed from outside, and the benefits of its resource wealth have been applied to benefit the governing region.

"Like other colonies, Northern Ontario became part of Ontario during the heyday of European imperialism."

Studies show areas that control taxes and government spending are more likely to fully develop their economies, Robinson writes.

He says if Northern Ontario had become a province at the time of Confederation in 1867, Sault Ste. Marie would have become its capital and the region would have retained its resource revenues, instead of the money flowing south.

As the capital city, the Sault would have had the parliamentary buildings, the North's forestry school, its mining engineering program, its geology program and its Geological Survey, as well as the land registry offices, a stock market for mining developments, and universities and a medical school.

"The North would have been more populous and richer than it is today," he says. "It would have been at least as populous as Manitoba, Saskatchewan or Alberta by the mid-20th century."

"As Matt Bray and Ernie Epp note, 'Once politically incorporated into a provincial unit, the northern districts (in Canada) found themselves virtually powerless, lacking the political and economic authority to influence or control their destiny ... As a consequence, the provincial Norths have been developed with little system or view to the future.'"

Referring to a 2004 Fraser Institute study, Robinson says tax transfers to Northern Ontario are neutral, meaning the region wouldn't lose tax dollars if it became its own province.

"More generally, it is very difficult to see why Northern Ontario would not be economically viable," he writes. "Historically the region contributed disproportionately to the provincial revenue."

He cites sources to show the demand for metals and wood is expected to grow and "the terms of trade are moving in favour of the region."

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#### **More info**

- Download the report at [www.northernpolicy.ca/upload/documents/publications/research-reports/revolution-or-devolution.pdf](http://www.northernpolicy.ca/upload/documents/publications/research-reports/revolution-or-devolution.pdf).
  - Northern Policy Institute is Northern Ontario's independent think tank. It performs research, collects and disseminates evidence, and identifies policy opportunities to support the growth of sustainable Northern Communities.
  - Its operations are located in Thunder Bay and Sudbury.
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