

ISSUES IN THE UNORGANIZED AREAS OF NORTHERN ONTARIO

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On a national level, there is a widespread tendency to view Ontario as a homogenous whole of big Toronto-like cities, industries and big business centres. In other words, the province tends to exhibit a powerful image as the nation's heartland and decision-making centre, an image that has often raised the ire of other regions. However, picturing Ontario as one giant suburb of Toronto or as the 401 corridor is a gross simplification of the overall character of the entire province. The industries, people and power so often seen as the defining character of Ontario is actually present mainly in the south. The remainder, northern Ontario, is a region vastly different in many respects.

In addition to the dichotomies in economic base, population, settlement patterns and physical geography, some important differences also exist in the characteristics of local government. One of the most important of these is the presence of vast areas that effectively have no local government at all. Such a situation does not exist in the south, where residents are governed through the good offices of townships and counties (and their successors) established in the last century. These areas without local government, generally known as unorganized or unincorporated areas (both terms are used here) provide an interesting and often unexplored topic of study, one that this work will attempt to examine.

More specifically, the unorganized areas will be looked at from the perspective of a source of difficulty for the province of Ontario. As shall be noted, the lack of local government in these

areas poses a number of problems for the provincial government, nearby municipalities and the residents of the areas themselves. Insofar as format is concerned, a general description of northern Ontario and of the areas in question will be followed by a discussion of initiatives taken by the province to compensate for the lack of local government. Consideration of the problems that occur in these areas will follow, viewed in light of the provincial courses of action. Finally, there will be a suggestion of one means, yet untried, to rectify the situation that exists in the unorganized areas.

NORTHERN ONTARIO: THE WIDER PERSPECTIVE

Insofar as an actual geographical definition of the north is concerned, the "official" definition used by the Province of Ontario will suffice. Quite simply, this definition states that the north encompasses the lands within the boundaries of the territorial districts and the Regional Municipality of Sudbury. Essentially then, all lands north of the District Municipality of Muskoka and the County of Haliburton, and west of the County of Renfrew (including most of Algonquin Park) are considered "the north" and thus fall under the jurisdiction of the Ministry of Northern Development and Mines, the province's coordinating ministry for northern matters. As an aside, it should be noted that this definition was clarified recently when Liberal Northern Development minister Rene Fontaine announced the official inclusion

of the entire District of Parry Sound and parts of the District of Nipissing.¹ As pointed out in the Legislature, previous to this announcement, the application of various programs and initiatives designed for northern Ontario seemed dependent on decisions made by particular ministries, and there existed considerable confusion as to whether or not these lands were in fact part of the north.² In any event, the areas in question contain areas without municipal organization, and are consequently of interest here.

In terms of population and geographical land area, the north can best be described vast tracts of sparsely populated land. Despite Ontario's considerable size, most of its 10 million people live in the southern portion of the province, in a relatively narrow band that follows the American border. Indeed, the area generally referred to as southern Ontario only contains some 12 percent of the province's total land mass. The remaining 88 percent, the north, consists of some 810000 square kilometres of the rugged terrain of the Canadian Shield, liberally dotted with lakes, marshes, rock outcrop and forest. Spread throughout this vast territory are some 820000 people, representing a population density of only one person per square kilometre, compared with the

¹ Legislative Assembly of Ontario, Hansard, 9 June 1988, pp. 4214-5.

² For Legislature debates regarding the inclusion of these areas within the official northern Ontario definition, see Legislative Assembly of Ontario, Hansard, 28 April 1988, pp. 2893-2902.

province-wide average of ten and the national mean of 2.5.³ These people live in a wide variety of settings, from large cities to tiny settlements accessible only by air.

While the whole of Ontario has consistently enjoyed steady, if not spectacular, population growth, the north's demographic patterns have been somewhat more sporadic. The population of the northern districts fell by 2.6 percent between 1981 and 1986, compared with a five percent increase in the province as a whole (including the north).⁴ Similarly, the 1991 Census reported a three percent increase in the north, compared to an eleven percent increase province wide. Put another way, while the population of Ontario grew from 8.6 to 10.1 million in the ten years between censuses, that of northern Ontario grew by a mere 3000 to 822540.⁵ While trends vary in different areas of the north, it is apparent that as a whole, no growth or extremely slow growth has been the area norm in the last decade, particularly when compared with the explosive population increase in the southern part of the province.

For the most part, these demographic trends tend to be illustrative of the economic difficulties that exist in the region. For the most part, the economy of the north is resource-based and

³ Statistics Canada, 1991 Census: Census Divisions & Census Subdivisions (Ottawa: Supply & Services Canada, 1992).

⁴ Statistics Canada, 1986 Census: Population & Dwelling Counts, Ontario (Ottawa: Supply & Services Canada, 1988).

⁵ Statistics Canada, 1991 Census: Census Divisions & Census Subdivisions.

dependent on a few industries. The recent difficulties faced by the mining and forest products industries provide a case in point; economic forecasts for Wawa, Kirkland Lake, Kapuskasing and Elliot Lake have been dire, leading to the flight of thousands of inhabitants. Even larger centres are not immune to the economic dislocation caused by downturns in their most important industries. Sudbury was crippled by mining layoffs in the early eighties, and more recently, Sault Ste. Marie has been hard hit by difficulties at Algoma Steel. In addition to resource and single industry dependence, the north must also contend with widely a scattered population, rugged terrain poorly suited for agriculture, poor transportation networks and vast distances. The result has been a lower, less stable population base (there are a number of examples of "boom and bust" towns) than in the south.

These larger demographic, geographic and economic characteristics have a number of consequences for local government in northern Ontario. G.R. Weller notes that the difficulties outlined above regarding transportation, costs, small and scattered populations and dependence on single industries result in slow growth (as demonstrated by the Census figures), boom and bust cycles, and a limited property tax base.⁶ Rugged terrain also results in increased construction costs for roads and water and sewer networks.

⁶ Weller, Geoffrey R. "The Evolution of Local Government in Northern Ontario," a paper prepared for presentation at the annual meetings of the Canadian Political Science Association, Montreal, 2-5 June 1980, 18-19.

In addition to impacts of economic, geographic and demographic factors, there also exist certain structural differences between local government in the north and south. The most important of these is probably the absence of an upper-tier level of municipal government similar to the south's county system. Indeed, as noted earlier, the lack of upper-tier municipal government plays an important role in the overall definition of northern Ontario, in that it consists of the territorial districts, which serve mainly as administrative boundaries for provincial purposes. Attempts have been made to introduce more upper-tier governments in the region, but except for the Regional Municipality of Sudbury, none have been created.⁷ Functions normally attributed to upper-tier municipalities are generally provided through other means, such as lower-tier municipalities (arterial roads, water/sewer, libraries, municipal police), special purpose bodies (district-wide health units, Children's Aid societies, social services boards, homes for the aged, area-wide planning) and the province itself (arterial roads, provincial police). Of course, the Regional Municipality of Sudbury is an exception to the northern rule and provides services similar to those of upper-tier local governments found in the south.

Another local government distinction between north and south worth noting is the existence of the Improvement District in the former. Referred to as an "innovation in local self-government" by

⁷ For an example of one such recommendation, see Ministry of Municipal Affairs, Lakehead Local Government Review: Report & Recommendations (NP, 1968), pp. 91-7.

O. Saarinen, these municipal bodies are governed by provincial appointees, are responsible to the Ontario government, and are generally designed to provide municipal services in areas where sudden, massive growth has occurred. The present City of Elliot Lake was initially an improvement district, and as Saarinen points out, both Ajax and Wasaga Beach once held the designation as well.⁸ Today however, only two exist, both in the Kirkland Lake area. This form of local government will be explored further below.

THE UNORGANIZED AREAS

In addition to the general lack of upper-tier government, and the presence of variations of the southern model of municipal government, the territorial districts also contain certain areas that are, from a municipal perspective, unique to the north. These are the unorganized areas, places that are unincorporated for municipal purposes. Having supplied a general discussion of the larger context in which these areas occur, it is now possible to provide a description of the unincorporated territory and discuss the issues inherent within.

As noted previously, despite the fact that northern Ontario constitutes some nine-tenths of the total area of the province, it contains less than one-tenth of the population. Within northern Ontario itself, a similar situation exists with respect to the

⁸ Saarinen, Oiva, "Municipal Government in Northern Ontario," Laurentian University Review vol. XVII, No. 2, p. 5.

unorganized territories. According to the 1991 Census, of the 810000 square kilometres that make up the north, only 40000, or five percent, are organized for municipal purposes. The remaining land, which actually makes up 84% of the province as a whole, is unorganized.⁹ However, just as the north contains vast areas of land and few people relative to the province as a whole, the unincorporated areas, despite their size, contain but a small proportion of the area population. According to the 1991 Census, some 51000 of the north's 822000 inhabitants live in areas lacking municipal organization, most of which are found in the Districts of Kenora (9700), Thunder Bay (8200), Sudbury (7600) and Algoma (7400). Insofar as population trends within these areas are concerned, there was a slight (0.1%) increase in population between 1986 and 1991, as compared with the three percent rise for the whole of the north. Trends differed among the various districts, as unorganized areas in the Districts of Sudbury, Parry Sound and Algoma registered substantial increases (between 5 and 9 percent), while those in Cochrane and Timiskaming dropped by 13 and 3 percent respectively.¹⁰ Between 1981 and 1986, the unincorporated areas experienced a population drop of 1.9 percent, compared with an overall 2.6% drop for the north as a whole.

Although statistics describing area and population are essential information in providing a description of the unorganized

⁹ Statistics Canada, 1991 Census.

¹⁰ Population and area data from Statistics Canada, 1991 Census.

territories, they cannot begin to illustrate the great diversity that exists within the larger picture. Better descriptions of the unorganized areas are provided by MNDM's Northern Ontario Directory, which lists and describes some 160 unincorporated communities across the north. For instance, it notes that historical backgrounds vary considerably. Some communities, like Fraserdale, were originally Ontario Hydro towns built to provide accommodation for power plant workers.¹¹ Others, (eg. Lac Ste. Therese, Missinabie, Caramat) house employees of local mines, sawmills and other resource extraction activities. Indeed, some started as company towns, like many northern settlements. Many others (eg. Hawk Junction, Dinorwic, Hudson, Cartier) are railway communities, located at junctions or near service areas. And some, like the area north of Sault Ste. Marie (referred to as "Sault North") are found on the fringes of larger cities and towns, as residents commute to these centres to work and shop. Tourism, farming and cottages also provide sources of economic livelihood for several areas. Insofar as populations are concerned, totals range from a few dozen to the 4000 living in Sault North.¹²

Overall then, it is apparent that there exists a considerable degree of diversity among the unorganized communities of northern

¹¹ For a more detailed discussion of Ontario Hydro settlements in the north, see Robson, Robert, "Ontario Hydro Colonies: A Study of Frontier Settlements." Laurentian Review vol. XVII, no. 2, pp. 113-39.

¹² Ministry of Northern Development and Mines, 1990-91 Northern Ontario Directory: An Information Guide to Unincorporated Communities and Indian Reserves (Communication Services Branch, 1990).

Ontario. However, as noted earlier, one shared characteristic is the lack of conventional forms of municipal government, and the consequent need to provide local services and venues for local democracy. To this end, the provincial government has undertaken a number of policy actions designed to alleviate this deficiency. These, and to a lesser extent, the actions of local governments, will now be examined.

Before examining the provincial responses to, and the problems in the unorganized areas, a few words should be expressed regarding the procedure used. In most cases, a description of the problems in or of a certain area would in turn be followed by an account of the attempts to solve them. To do so in any other way would be tantamount to "putting the cart before the horse." In this case however, it is difficult to describe the problems without some awareness of the initiatives taken over the years. For example, the provision of services is one area of difficulty that will be discussed in some detail. But to simply state "here are the problems that exist because no services are provided" and to then go on to describe provincial actions in this regard would be an inaccurate description of the situation. In fact, certain initiatives regarding service provision have existed for several years, and must be taken into consideration in order to fully describe present circumstances. In an attempt to overcome this difficulty, a general statement of the most basic problem will be followed by an account of the various provincial initiatives designed to overcome them. These will in turn be followed by a more

detailed discussion of the problems that remain. By using this format, it is hoped that the basic description will eliminate questions in the reader's mind to the effect that "these are the responses, but what are they responding to?" And, by discussing some of the means through which the province has responded to the needs of the unorganized areas, it will be possible to discuss the problems with greater clarity, taking provincial actions into consideration.

Bearing this in mind, the "basic" question or problem of the unorganized areas is follows: how is the lack of local government compensated for, i.e. how are the regular functions and services of local government provided? The provincial responses to this question will be discussed in some detail in the next section. It should first be noted however, that the province of Ontario is the main governmental actor, by virtue of its role in service provision (discussed below) and its responsibility for municipal affairs. To a lesser extent, some municipalities are involved, in the case of annexations, or sometimes, as service providers.

THE RESPONSES

Faced with a lack of local government and the consequent absence of the services and duties that it normally performs, the provincial government has reacted in a number of ways. These may be divided into two general categories. the first of these is the direct provision of municipal services, or providing local

residents the means (short of incorporation) to do so. The former consists of a number of provincial funding programs designed to improve service provision in unincorporated areas, while the latter includes local "self-help" organizations. The second category is a general reduction in the territory lacking municipal organization through incorporation and annexation.

DIRECT PROVISION OF SERVICES/FUNDING

In order to improve the lot of those living in unorganized areas vis-a-vis municipal services, the provincial government has created a number of programs designed to provide them, or to assist local inhabitants in doing so. Some of the major initiatives, provided by several ministries, will be listed here. Probably one of the most important of these forms of assistance is that involving fire protection. The lack of municipally-operated fire departments is a major hazard to life and property, in addition to causing high home insurance rates. Consequently, inhabitants and the province have been very active in setting up volunteer fire teams under the aegis of the Unincorporated Communities Fire Protection Program (UCFPP). Through this initiative, MNDM and the Office of the Fire Marshal provide a fire package suited to the size and needs of the particular community. Most include fire pumper trucks and/or water tank trucks, in addition to other equipment (hoses, entry tools, breathing apparatus, etc.). Smaller locales may receive other types of packages, consisting of a

trailer-mounted pump and equipment. All of this equipment is actually on loan from the province; indeed, the fire trucks bear the trillium emblem of Ontario. In addition, the Office of the Fire Marshal also contributes training and support. Overall, this program appears to have been well-received in the north. Indeed, according to the 1988 Handbook of Municipal Fire Protection, over 100 communities have acquired these packages.¹³ Kudos were also forthcoming from individual communities as well. One fire chief in River Valley, near Sturgeon Falls, commended MNM for "paying attention to the north's little communities and [respecting] their essential needs." He added that if not for the Ministry, members of his village would "still be carrying water in buckets."¹⁴ Local Services Boards, which shall be discussed below, are also eligible for such assistance.

In addition, it should also be noted that in areas where these volunteer fire teams do not exist, the Ministry of Natural Resources provides, according to the Report of the Task Force on Northern Annexations, "a minimal level of fire protection." As the Ministry's fire protection mandate is limited to forest fire suppression (a task it performs very well), the report notes that it is not legally required to respond to structure fires. The Ministry will do so on a "good neighbour" basis however, although

¹³ Ministry of the Solicitor General: Office of the Fire Marshal, 1988 Handbook of Municipal Fire Protection in Ontario (NP, 1988) pp. 121-3.

¹⁴ Millette, Rick, "River Valley has praise for MNA, NEIP program," Northern Affairs vol. 5, no. 4 (December 1982) p. 2.

lengthy response times and inadequate equipment for residential fires are a problem. The report adds that in general, MNR fire crews can only limit the spread of the fire to other buildings or nearby bush.¹⁵

In the field of social services, the provincial government has been very active on behalf of the unincorporated areas. The Ministry of Community and Social Services covers the full cost of general welfare and social assistance programs and also provides these services directly to unorganized area recipients. In addition, district Children's Aid societies and boards administering homes for the aged are allocated ministry grants to cover the added costs of serving clients in these areas, in lieu of the contributions from municipalities that would normally occur. Similarly, the Ministry of Health also assumes the cost of public health with 100% grants to district health units.

Waste disposal, another essential service, falls under the jurisdiction of the Ministry of Natural Resources. The MNR operates many roadside garbage dumps across the north. All must meet environmental standards dictated by the Ministry of the Environment, and according to a 1991 study of the Sault North area, must "operate the landfills in exactly the same manner as municipalities would."¹⁶

¹⁵ Ministry of Municipal Affairs, Report of the Ministry of Municipal Task Force on Northern Annexations (NP, 1988) p. 64.

¹⁶ Minister's Advisory Committee on the Area North of Sault Ste. Marie, Report to the Minister of Municipal Affairs (NP, 1991) p. 15.

In addition to those described, there are also a number of other services and grants provided to unorganized areas. For example, the Ministry of Northern Development and Mines plays an extremely important role. MNDM operates the Unincorporated Communities Assistance Program (UCAP), which allocates funds for capital expenditures such as the construction of fire stations, street lighting and renovations to community buildings. Government news releases in the last three years have described dozens of examples, ranging from a \$150000 grant to rebuild the Wabigoon community hall¹⁷ to \$3200 for retrofitting Tomko Lake's fire department tank truck.¹⁸ This ministry and the Ministry of Transportation also play a very important role in funding the operation of Local Services Boards and Local Roads Boards respectively. In addition, some communities with existing water and sewer systems have received funding from the Ministry of the Environment for upgrading and construction. And finally, the Ministry of Education provides full funding for students living outside the jurisdiction of local school boards.

One service that should be described separately is that of land-use planning. Planning can be provided through the Ministry of Municipal Affairs or through local Planning Boards, the latter consisting of a body of appointed members who make decisions on planning matters within their particular area of jurisdiction,

¹⁷ Ministry of Northern Development and Mines, News Release 23 December 1991.

¹⁸ Ministry of Northern Development and Mines, News Release 10 April 1989.

which may include one or more municipalities acting jointly. Provision is also made within the Planning Act for inclusion of unorganized areas within their boundaries, and for the Minister of Municipal Affairs to appoint members from these areas.¹⁹ According to the Northern Annexations Task Force report, there are some 25 Planning Boards in the north, of which 20 include unorganized areas.²⁰ In these areas, planning is guided and regulated through an approved Official Plan. Daily activities are performed by permanent or part-time staff.

In areas where Planning Boards have not been erected, the Ministry of Municipal Affairs plays a more direct role. This is done through the use of Minister's Zoning Orders, which, according to the Northern Annexations Task Force report, "[regulates] the use of land for specific control reasons." The Report also indicates that a third level of planning control exists within unorganized territories. In most areas, "there are no planning policies or local authorities which administer planning." Consequently, application must be made to the Ministry itself, which approves or disapproves on the basis of "sound planning principles and unpublished planning policies."²¹

The list of examples of programs provided is not a comprehensive one; however, it does include the major grants and

¹⁹ Statutes of Ontario, Planning Act as amended 1983, Ch. 82, Section 10.

²⁰ Ministry of Municipal Affairs, Northern Annexations p. 28.

²¹ Ministry of Municipal Affairs, Northern Annexations pp. 28-9.

services available to unorganized areas. Overall though, it would appear that the Ontario government has been very active in direct service provision and in equipping communities with the means to provide for their own efforts. Other initiatives have focused more on the latter, namely facilitating service provision by the unorganized communities themselves. Some of these programs will now be discussed.

LOCAL SERVICES BOARDS

One important means through which the province has attempted to compensate for the lack of municipal government in the unincorporated areas has been through the use of organized bodies entitled Local Services Boards (LSB). Governed by the Local Services Board Act, which was passed by all provincial parties in late 1979, the "official" definition of these boards is as follows:

A local services board is a legally constituted, self-help body of three or five elected members. Residents of an unincorporated community can elect a local services board to ensure that basic services are provided for them on a continuing basis.²²

Essentially, according to the Act, LSB's are empowered to exercise authority in any or all of six areas outlined, namely water supply,

²² Ministry of Northern Development and Mines, An Information Guide to Local Services Boards (NP, ND) p. 1.

fire protection, garbage disposal, sewage, streetlighting and recreation. To this end, boards are empowered to "...do all things and make all arrangements necessary to provide, maintain and improve services in the board area," which is restricted to unorganized territory.²³

Based on the preceding information, it may appear that this Act provides for the creation of municipalities in the areas where LSB's are erected. However, many important differences exist between LSB's and organized municipalities. Firstly, the act itself clearly states that "A board is not a municipality or local board for the purposes of any Act" and also that, despite the fact that they are incorporated, LSB's are not subject to the Corporations Act.²⁴ This non-municipal status was emphasized repeatedly. Leo Bernier, the Progressive Conservative government's Minister for Northern Development and Mines, stated in the Legislature that "...this is not a proposal for municipal government. A local services board is intended to be a much simpler organizational and funding vehicle. A community that chooses this route will still be 'unorganized.'"²⁵ In a similar vein, Bernier had emphasized earlier that these new organizational forms were not attempts to "slip" a disguised form of municipal government into unorganized

²³ Statutes of Ontario, Local Services Board Act, RSO 1980, Chapter 252, Section 7.

²⁴ Statutes of Ontario, Local Services Board Act, Section 6.

²⁵ Legislative Assembly of Ontario, Hansard, 7 June 1979, p. 2639.

communities.²⁶

In addition to these affirmations as to the non-municipal nature of the LSB's, a number of other characteristics also serve to separate them from incorporated municipalities. One important distinction is the inability to "authorize, regulate or license individuals, groups or businesses," effectively barring these organizations any licensing or regulatory powers. Similarly, boards are forbidden to exercise authority or jurisdictional powers in any area other than the six services mentioned previously. And, unlike municipalities, LSB's are not permitted to hire permanent staff.²⁷

Local Services Boards also differ somewhat with regard to the exercise of local democracy. For example, MNDM notes that the decision regarding the formation of a board rests solely on a vote of local inhabitants attending an information meeting. Furthermore, matters such as the levying of property tax surcharges and service fees (and the amount of same), expansion or contraction of boundaries, and indeed the dissolution of the board itself rest on votes cast by residents at open public meetings.²⁸ Elections of board members differs as well, in that all are chosen during an annual election meeting held in August or September. Boards are also required to conspicuously post meeting notices, and to make

²⁶ Legislative Assembly of Ontario, Hansard 23 April 1979, p. 1215.

²⁷ Ministry of Northern Development and Mines, Operational Guide for Local Services Boards (NP, ND), pp. 10-12.

²⁸ Ministry of Northern Development and Mines, Operational Guide, p. 3.

all such gatherings open to the public.²⁹

Insofar as funding is concerned, there are a number of options available to LSB's. Most are similar to those used by organized municipalities, while another is less so. As noted earlier, the charging of fees and levies and the rates of same must be approved by a majority of residents at a public meeting. Like municipalities, LSB's can levy a property tax under the Provincial Land Tax. This essentially consists of an add-on to a homeowner's Provincial Land Tax bill (the Provincial Land Tax will be discussed in greater detail below) strictly for local purposes, but collected by the Ministry of Revenue. And, as noted, LSB's are able to collect user charges for services rendered. Less used in organized municipalities are the community fund raising events, such as dances or bake sales. According to the MNDM's Guide, "such events are a good example of a community's initiative and determination to provide the services it wishes."³⁰ In the same vein, volunteer labour and donated materials are considered appropriate sources as well.

Local Services Boards are also eligible for government funding from a number of sources. MNDM provides an operating subsidy in the form of a matching dollar-for-dollar grant for funds raised locally (including community fund-raisers). These funds are intended for use as a share of basic operational and maintenance expenses. LSB's

²⁹Ministry of Northern Development and Mines, Operational Guide, 17-24.

³⁰ Ministry of Northern Development and Mines, Operational Guide p. 59-62.

are also eligible to receive funding from various provincial capital programs, including UCAP, and a number of specific purpose grants offered by various ministries. Indeed, as pointed out by Minister Bernier, the LSB's legal status as a corporation improves their qualification in this regard.³¹

Since the Act's 1979 implementation, several unincorporated communities have adopted this local government option. According to the 1992 edition of the Ontario Guide to Municipalities, there are presently some 57 Local Service Boards across the north.³² It is difficult to accurately state which services are provided by each due to difficulties in interpreting information provided by some sources. However, it is possible to determine that of these 57, at least 53 provide fire protection, while 45 serve recreation needs of one form or another. Of the other services that can be a part of an LSB's mandate, approximately 11 and 9 furnish their residents with water and sewer services respectively, at least 8 have garbage collection and an additional 13 enjoy street and area lighting.³³

Overall, on the basis of sheer numbers, the LSB notion appears to have been a popular one among the north's unincorporated communities. According to data supplied by the Northern Ontario

³¹ Legislative Assembly of Ontario, Hansard 7 June 1979, p. 2639.

³² Ministry of Municipal Affairs, 1992 Municipal Directory (Queen's Printer for Ontario, 1992).

³³ Detailed information on services provided is available for most LSB's from: Ministry of Northern Development & Mines, 1986-7 Local Services Boards Directory (NP, ND). Information re. 14 newer boards was gleaned from Ministry of Northern Development & Mines, 1990-91 Northern Ontario Directory.

Directory, approximately 24000 residents, nearly half of the total unorganized area population, live under the jurisdiction of Local Services Boards. Based on the apparent willingness of northerners to use the program, and indeed its continued existence, it would appear that it has been accepted by residents as an acceptable means through which to reduce the service ills of the unincorporated north. This opinion is reinforced somewhat by Bernier, who as Minister, oversaw the creation of the Act. In 1984, he stated that LSB's had "gone a long way towards alleviating the immediate need for basic services in many of the north's...unorganized communities."³⁴ In addition, in an 1981 article on the broader topic of local government in Ontario's north, G.R. Weller wrote that the reaction from unorganized communities to the then-new bill was "almost entirely favourable." At that time however, no LSB's had yet been formed.³⁵

LOCAL ROADS BOARDS/STATUTE LABOUR BOARDS

As noted, Local Services Boards are a relatively recent creation designed to permit the provision of services in six specific, well-defined areas. However, one important service role absent from LSB jurisdiction is that of road maintenance and construction. Essentially, this function is served by Local Roads

³⁴ Legislative Assembly of Ontario, Hansard 12 October 1984, p. 3189.

³⁵ Weller, Geoffrey R., "Local Government in the Canadian Provincial North," Canadian Public Administration 24, (1981): 69.

Boards (LRB), which serve a function similar, although more limited, than those of LSB's. Their function is summed up in Section 10(2) of the Local Roads Board Act, which states "the board may, within the limit of money available to pay for such work and subject to approval from the Minister, determine the work to be performed on local roads in the local roads area."³⁶

In many ways, the two types of organization are quite similar. Both are "local self-help bodies" designed to enable residents of unorganized territories the ability to determine, provide and pay for their own services, although each obviously operates in its own exclusive area(s) of jurisdiction. Both are required to hold well-advertised annual meetings (and others as required) to discuss matters of local import. Both are "optional," in that the decision regarding their formation is made by local inhabitants, and not by the province. Both also require votes by residents in attendance to determine boundary matters.

There are however, a few differences between the two that are worth mentioning. For instance, the Act states that LRB's must levy a local road tax, for a total "...sum equal to the sum estimated by the board to be required for the purposes of the board during the year."³⁷ The revenue collected is then remitted to the Ministry of Transportation (MTO), which adds a subsidy (\$2 for every \$1 collected, as opposed to the one-for-one arrangement used

³⁶ Statutes of Ontario, Local Roads Boards Act RSO 1980, Chapter 251, Section 10 (2).

³⁷ Local Roads Boards Act Section 21 (1).

The first-mentioned of these options is that of incorporation. Although used less frequently in recent years, incorporation remains an important alternative nevertheless. Until recently, Improvement Districts were the favoured method of initial incorporation. In the seventies, three such municipalities were created in resource communities experiencing rapid growth; these were Pickle Lake, Opasatika and Matachewan. The former two have since been erected into full-fledged townships. Since that time however, the Improvement District, defined earlier as a provincially-appointed council body, has fallen into some degree of disrepute due to a perceived lack of regard in local democracy. Indeed, the 1990-91 Annual Report of the Ministry of Municipal Affairs noted that "the Ministry does not want any more new Improvement Districts created, primarily because they do not provide for democratically-elected representatives."⁴¹

This change in policy notwithstanding, various local government studies commissioned and/or performed by the provincial government have recommended incorporations or similar actions in a number of areas. For example, a major 1976 study of the entire District of Parry Sound proposed a series of actions designed to improve local government in the area. Among them were suggestions that a series of amalgamation take place, reducing the number of municipalities from 27 to 11. Many of these newly amalgamated townships would include unincorporated townships. In addition, it

⁴¹ Ontario Ministry of Municipal Affairs, 1990-91 Annual Report (Queen's Printer for Ontario, 1991) p. 14.

in the Sault area rendered organization unviable at the present time.⁴⁴ Nevertheless, the committee's support for this option was evident. One section of the study seemed designed to allay fears and convince area residents of the benefits that annexation would bring. It noted that there were many "misconceptions" about municipal government, and tried to emphasize heightened democracy, greater accountability, and provincial grants presently unavailable. To this end, residents of the area were "encouraged to study all aspects of incorporation, including the advantages and disadvantages, with a view to making their own enlightened decision on the matter."⁴⁵

A final example can be found in the Kenora region, where examination of municipal matters in the wider area included an examination of the incorporation of four geographical townships. Once again, the consultants commissioned by the province recommended incorporation, noting that "remaining unincorporated was not in their interests nor in the interest of the area as a whole."⁴⁶ The two proposed municipalities would contain some 1500 permanent residents, in addition to several cottages. The Kenora area is a favoured cottage area of Manitoba citizens.

⁴⁴ Minister's Advisory Committee on the Area North of Sault Ste. Marie, Report to the Ministry of Municipal Affairs (NP, October 1991) pp. 35-6.

⁴⁵ Minister's Advisory Committee on the Area North of Sault Ste. Marie, pp. 35-6.

⁴⁶ Peat, Marwick, Stevenson & Kellog, Project Report: Kenora, Keewatin, Jaffray Melick and Area Local Government Study (NP, November 1991), p. 46.

Another option used frequently by the province is that of annexation of unorganized areas by adjoining municipalities. It has been a course of action used frequently in the past on scales large and small, in cases of small piecemeal annexations for specific purposes and for major municipal structural adjustments. From the point of view of the province and the municipality, the advantages are significant and obvious. The 1988 report of the Provincial Task Force on Northern Annexations listed a number of benefits resulting from annexation of unorganized lands. Among them were improvements in municipal financial viability (through an increased tax base and user fees), controlled fringe development, and lessened service demands on the province. Consequently, this option has been pursued with some vigour and remains an important aspect of provincial policy toward the unincorporated areas.⁴⁷

However, the annexation option is not a new one. Indeed, many of the major municipal structural adjustments enacted in northern Ontario during the late sixties and early seventies involved nearby unincorporated areas. For example, the 1973 formation of the Regional Municipality of Sudbury, the north's only upper-tier municipality, brought several unorganized townships within municipal boundaries. Two of these, the extensively-developed townships of Dill and Broder (the author's original home), were brought into the City of Sudbury itself. As Sudbury Area Study author J.A. Kennedy pointed out:

⁴⁷ Ontario Ministry of Municipal Affairs, Northern Annexations pp. iv-v.

Broder and Dill simply must become organized. The pressures for development have been severe and can only increase in intensity. They are in the natural path of city expansion and it simply makes more objective sense to incorporate them into the City than to incorporate them separately.⁴⁸

In addition to the City's attempt to absorb fringe development, several of the new towns formed also included a number of geographic townships, particularly the Towns of Walden, Nickel Centre and Capreol. Capreol includes several sparsely townships north of the actual town so as to include a number of mines in its tax base.

The 1973 creation of the City of Timmins also provides an excellent example of the organization of unincorporated communities through area-wide reform and boundary adjustment. The new 1900 square kilometre city, created from the former Town of Timmins, three organized townships and an additional thirty-one and a half geographic townships, became the largest in Canada. As L. Clausi writes, the inclusion of this surrounding unorganized territory was of considerable importance to the whole exercise, despite the fact that "the greater part [of the new city] was composed of uninhabited bush." The surrounding townships, Clausi pointed out, contained many of the mines and mineral processing plants that constitute Timmins' main source of economic livelihood. The inclusion of these properties in the local tax base was a great economic boost for the new city, and as Clausi points out, permitted it the ability to exercise greater control over planning,

⁴⁸ Kennedy, J.A., Sudbury Area Study (NP, 1969) p. 16.

thus preventing "haphazard" development. Clausi also noted that it was a clear provincial preference to leave such decisions in the hands of local policy-makers. This is aptly demonstrated in a quote from then-treasurer Charles McNaughton, who stated "These are decisions that no one in Toronto can make half as sensibly, or half as quickly as you and your local government can. We know you want to run your own show here as much as possible and certainly we want you to run it."⁴⁹

Important as these actions were, it should be noted that boundary adjustments have not been limited to major centres or implementation through provincial legislation. In a number of cases, smaller municipalities have attempted annexation bids, and in other cases, studies have recommended such action. Before examining some cases however, it should be noted that the procedure for the annexation of unorganized territory differs somewhat from that used in boundary adjustments between organized municipalities. Before the implementation of the Boundary Negotiations Act in 1982, all annexations throughout the province were presented before the quasi-judicial Ontario Municipal Board (OMB), which would base its decision on the merits of arguments of each side. As it was believed that this process was too costly and overly confrontational (as evident in the Barrie-Vespra case), the new Act replaced it with a process of negotiation between the two sides, facilitated by provincial studies and mediators. Binding

⁴⁹ Clausi, Louis, "Where the Action is: The Evolution of Municipal Government in Timmins." Laurentian University Review Vol. XVII, No. 2, pp. 50-52.

arbitration is required in the event that the parties are unable to reach a mutually satisfactory settlement.⁵⁰ This new procedure has been used several times since the Bill's enactment, although bitter annexation battles in the London-Westminster and Sarnia-Clearwater cases indicate that inter-municipal friction has not been eliminated.

However, while applicable to the north in the case of boundary adjustments between organized municipalities, the old OMB process is still used in unorganized territory annexations. The only exception to this rule is boundary adjustment through provincial legislation, which occurred in Timmins, Sudbury and Thunder Bay. As noted in the Final Report of the Task Force on Northern Annexations, the OMB procedure requires a formal application by the municipality (or 25 residents of the unorganized area) and a subsequent hearing with submissions from all concerned. The Board's decision can approve or disapprove the application, or provide for a larger or smaller annexation than that applied for.⁵¹

Recently however, changes have taken place with respect to the OMB process, specifically, in terms of the role played by the provincial government. The Northern Annexations Report, charged with investigating policy options, noted that "if the province has adopted a policy having a bearing on an annexation decision, the

⁵⁰ Ontario Ministry of Municipal Affairs, Municipal Boundary Negotiations Act (NP, ND).

⁵¹ Ontario Ministry of Municipal Affairs, Northern Annexations pp. 8-9.

Board must have regard to that policy."⁵² To this end, previous unorganized area annexation applications were surveyed, and it was found that the province had adopted a neutral stance in nearly every case. Charged with determining whether or not this policy was a suitable one, the Task Force urged the Ministry to adopt a policy of "pro-active support for municipal annexations within the existing legislative framework."⁵³ To this end, the Ministry of Municipal Affairs 1990-91 Annual Report noted that a "new approach" had been adopted toward annexation and amalgamation in the north. Support for annexations deemed to be of merit would include a local government study and the establishment of a committee to negotiate local government reforms.⁵⁴ Due to its recent implementation, it is difficult to determine whether or not the new policy of pro-active support for annexation has been a successful one. However, recent events in the Town of Blind River, on the north shore of Lake Huron would seem to indicate that in at least one instance, it has. Over the course of fifteen years, the Town had made a number attempts to annex one unorganized township and a considerable portion of another. In November 1991, after a long and often bitter battle, the OMB approved the Town's application. Considerable provincial assistance was forthcoming, including a local government

⁵² Ontario Ministry of Municipal Affairs, Northern Annexations pp. 8-9.

⁵³ Ontario Ministry of Municipal Affairs, Northern Annexations, pp. iv-v.

⁵⁴ Ontario Ministry of Municipal Affairs, 1990-91 Annual Report p. 12-14.

study, public information meetings, and support of the application at the hearings themselves.⁵⁵ Overall then, it is apparent that the policy is being pursued with some determination, and while it is difficult to determine a causal relationship, it would appear that it does have some effect on the OMB process.

Past provincial studies, implemented well before the new policy, also tended to recommend annexation of adjoining unincorporated areas. For example, a 1979 study of municipal government in the Highway 11 corridor between Smooth Rock Falls and Hearst advocated such action for Hearst, Kapuskasing, Smooth Rock Falls and Fauquier-Strickland Township. The report stated that annexation could solve a number of issues in servicing, taxes and uncontrolled development.⁵⁶ Since that time, only the Town of Hearst has altered its boundaries, through a 1988 annexation. A similar study in the Blind River area made similar recommendations.

More recent studies, commissioned by the province in accordance with its new policies, have also advocated annexation. One such study in the Town of Geraldton found many of the problems reported in other unorganized areas, namely service deficiencies, undue financial burden on the Town of 2800, inconsistent planning controls, and the need to "relieve provincial responsibility for municipal service delivery." To this end, it advised that four

⁵⁵ Ontario Municipal Board, Memorandum of Oral Decision delivered by J.R. Mills on November 8, 1991 NP, November 1991, Schedule 'B'.

⁵⁶ Ontario Ministry of Intergovernmental Affairs, Hearst to Smooth Rock Falls Local Government Study: Final Report NP, May 1979.

surrounding townships with a population of 450 be added to the Town. In addition to relieving some of the concerns outlined, it was also believed that the annexation would improve Geraldton's financial viability, as the Town has been hard hit by the recession.⁵⁷ Annexation procedures have since been implemented.

Overall then, the twin provincial initiatives of providing services on one hand and attempting to eliminate unorganized areas through incorporation and boundary adjustments are quite apparent. However, while these initiatives are designed to manage the overall problem of the lack of local government, various difficulties remain either in spite of, or in some cases due to, these attempted solutions. These will now be discussed in detail.

SERVICES

As noted, provision of municipal-style services in the unorganized areas can be allocated through local "self-help" bodies, district-wide organizations, or by the province itself. However, these solutions are not perfect. For example, while the most essential assistance is provided, there remain a few services that are still unavailable to unorganized areas. One important example of this is the enforcement of building controls and standards, as there are no inspectors to ensure that regulations

⁵⁷ McNeely-Tunnock Consultants, Geraldton Area Local Government Study: Final Report (NP, December 1990) pp. 5-14.

are followed.

Apparent ministerial dissatisfaction with their service provision role is another problem. The Ministry of Municipal Affairs noted that the Ministry of Natural Resources "feels that providing dumps to built-up areas is not part of its mandate of resource management." Similarly, the Ministry of Transportation is said to believe that many of the Local Roads Boards under its tutelage should be part of incorporated municipalities, due to high level of service required.⁵⁸

Finally, it should be noted that there seems to be some conflict between provincial ministries with regard to the unorganized areas. For example, the Ministry of Municipal Affairs frequently urges the elimination of unorganized areas through annexation, incorporation or formation of upper-tier governments with taxation and regulatory powers. This betrays an apparent lack of fondness for the lands in question, a sentiment echoed in several reports. Indeed, in discussions with Ministry officials, words like "mess" and "disaster area" were heard quite frequently. On the other hand, the Ministry of Northern Development & Mines seem to demonstrate a much more charitable outlook in its administration and allocation of grants and other programs. This Ministry seems to accept the status quo, and appears willing to continue its service delivery role. Indeed, one MNDM official stated that in her belief, there does exist some conflict between

⁵⁸ Ontario Ministry of Municipal Affairs, Towards a Provincial Corporate Approach to Unincorporated Areas (NP, ND) p. 2.

the goals and policies of the two ministries. In particular, she seemed to feel that Municipal Affairs had difficulty accommodating the unique nature of the unorganized areas, and preferred organization due to the nature of its mandate.⁵⁹

In sum, it would appear that the means through which services are provided to unincorporated areas are by no means perfect, particularly from the point of view of the providers. Insofar as services allocated through LSB's and LRB's are concerned, it was noted previously that residents seem satisfied with the present arrangements.

TAXES

The situation vis-a-vis property taxes in the unincorporated areas is an interesting one. In lieu of property taxes levied by municipalities, the Ontario Ministry of Revenue charges homeowners in unorganized territory a similar duty entitled the Provincial Land Tax. Governed by the aptly-named Provincial Land Tax Act, a levy based on the assessed value of the land is charged yearly. Failure to pay the Tax can result in the forfeiture of one's land to the province. There is a single tax rate for all class of property, and no distinction between residential, commercial or industrial.⁶⁰

⁵⁹ Interview, Liz Harding, Municipal Liaison Officer, Ministry of Northern Development & Mines, Sudbury, 15 July 1992.

⁶⁰ Statutes of Ontario, Provincial Land Tax Act RSO 1980, Chapter 399.

However, while similar in many ways to its municipal counterpart, the actual amounts exacted from homeowners are somewhat less than those levied in organized municipalities. For example, the Act states that "the minimum annual tax imposed under this act with respect to any land is \$6."⁶¹ While this is the minimum amount, it appears to give an accurate indication as to the actual charges normally levied. Indeed, one provincial description of the unincorporated areas stated that for many residents, this minimum is a reflection of the total amount of the tax paid.⁶² Furthermore, the Northern Annexations Task Force added that the current tax rate is 15 mills (or 1.5%) of assessment last performed in the fifties. The result, according to the report, is that:

The resulting amount of PLT (Provincial Land Tax) payable by a residential property owner is both nominal and constant year-to-year. Latest estimates show that the average tax bill per household under the PLT is about \$65 per year.

On average, the report continues, this is approximately one-fifth of the average property tax bill (\$300) in an organized northern township, and one-seventh of that (\$430) in a northern town. In addition, the findings also indicate that it actually costs \$50 to collect the tax, well in excess of the \$6 minimum and three-quarters of the \$65 average.⁶³ In addition, the Act lists many

⁶¹ Statutes of Ontario, Provincial Land Tax Act Section 21 (3).

⁶² Ontario Ministry of Municipal Affairs, Towards a Provincial Corporate Approach p. 3.

⁶³ Ontario Ministry of Municipal Affairs, Northern Annexations, p. 19.

areas eligible for tax exemptions, including mining areas, Crown land being leased and areas where timber licenses are held. Areas that would normally exempt from property tax, such as schools, churches and government land, are also exempt.⁶⁴

As noted earlier, local bodies such as Local Services Roads Boards and Local Services Boards also have the authority to charge local levies for services rendered. It is somewhat more difficult to determine the degree to which these organizations tax their constituents, but there are some indications that they still fall short of those in incorporated municipalities. For one thing, it appears that many LSB's do not actually use their property taxation powers. According to the MNDM, of 18 LSB's formed by 1982, only one had used the levy option. The others preferred the fundraising route described earlier.⁶⁵ Insofar as charges actually levied are concerned, a report studying the effects of incorporation on 7 townships in the Sault North area noted that combined, both LSB's and LRB's in the area raised \$122500 through taxes and levies (plus another \$10000 through fundraising and user fees). This is based on some \$29.4 million worth of assessment for 2600 permanent and seasonal households. On average, this works out to about \$47 per household.⁶⁶ Added to the Provincial Land Tax of \$65 noted earlier, the \$112 total still falls well short of the property

⁶⁴ Statutes of Ontario, Provincial Land Tax Act Section 3.

⁶⁵ Rahtz, Nancy, "Eighteen self-help boards formed since Act passed two years ago: Independence and initiative behind LSB story," Northern Affairs Vol. 5, no. 1, p. 1.

⁶⁶ F.A. Hamblin & Associates, Appendix A.

taxes paid in organized municipalities.

Overall then, it is apparent that property taxation levels for municipal purposes in unorganized areas are considerably lower than those of incorporated municipalities in the north. It should be noted of course, that rates do vary with assessment, and that in the case of LSB's and LRB's, local rates vary as well. At the same time though, it should be remembered that not all areas are covered by these boards, in which case taxes would be lowered further. Finally, it should be mentioned that these totals do not include taxes for education purposes, which generally make up more than half of the average property tax bill. Incidentally, the Ministry of Municipal Affairs notes that the lack of municipal government poses another taxation problem, in that local Boards of Education must collect their own levies, and cannot rely on a municipality to do so.⁶⁷

PLANNING

As noted earlier, land use planning is facilitated through a number of authorities, provincial and local. However, the provincial government believes that there are a number of difficulties in both areas of jurisdiction. A good example is provided by the planning problems of the Sault North area, which are discussed extensively in the two most recent reports. The Hamblin study of Sault North

⁶⁷ Ontario Ministry of Municipal Affairs, Towards a Provincial Corporate Approach p. 3.

asserts that the local planning board's ability to enforce proper standards is limited, in that "it has no mandate/authority to facilitate and/or control land use planning and development within the planning area."⁶⁸

The dilemmas posed by limited authority are discussed in the more recent Ministry of Municipal Affairs as well. It notes that residents wishing to build a structure must first apply for a "letter of conformity," which states that the planned use of the building is in accordance with area zoning standards. However, enforcement is difficult, and the result is that "there are cases throughout the area where people ignored the terms of their letter of conformity or didn't apply for one at all." The result is uncontrolled development. In addition, the study also points out that other planning tools, including property standards bylaws and building inspection are unavailable, leading to further complications.⁶⁹

A related difficulty concerns the means of enforcement of planning matters more specific than zoning. The author once worked as a summer student at a Planning Board near Massey, west of Sudbury. A developer wished to build five permanent homes on lake front property in one of the unorganized townships under the Board's jurisdiction. However, in addition to other concerns regarding road access, the Board's members felt that the planned

⁶⁸ Hamblin & Associates, p. 1.

⁶⁹ Minister's Advisory Committee on the Area North of Sault Ste. Marie, pp. 12-3.

lot sizes were too small and refused permission. The developers accused the Board of applying lot size standards outlined in the Zoning By-law of an adjoining municipality, and appealed the refusal. By the end of the summer, the developers had stated their intent to apply for an OMB hearing. The author is unsure as to the outcome, as matter arose at the end of the summer. In any event, although the proposal complied with the basic zoning doctrines of the Plan, the Board found it difficult to enforce other standards that it viewed as necessary for good planning for valuable lake front property.

The Northern Annexations Study indicates that provincial planning controls are lacking as well, in that they are difficult to enforce and that they are based on decisions by faraway bureaucrats, rather than local decision-makers, elected or otherwise. It also points out that the justification of decisions made on the basis of "sound planning" and "unwritten policies" means that unofficial practices can be challenged. Furthermore, the use of such criteria betrays the fact that no set regulations apply.⁷⁰

Given these difficulties, it should come as no surprise that the state of planning in the unorganized areas is not a good one. The Sault North Advisory Committee study described planning problems in that area are "extensive."⁷¹ A request for proposals

⁷⁰ Ontario Ministry of Municipal Affairs, Northern Annexations pp. 28-9.

⁷¹ Minister's Advisory Committee on the Area North of Sault Ste. Marie, p. 13.

for a Local Government Study in Chapleau noted that there are "incompatible land uses" in unorganized areas there.⁷² A need for land-use controls is also described in the unorganized area surrounding Geraldton.⁷³ The Hearst-Smooth Rock Falls Local Government Study reported that in five years, 125 mobile homes and 25 permanent residences had been built without any sort of authority in the Hearst area alone.⁷⁴ Through examples like these, it is evident that inadequacies in the ability to enforce standards, coupled with unwieldy institutional arrangements, have created considerable difficulty in land-use planning, and thus in providing the benefits that generally accrue from such initiatives.

MUNICIPAL PROBLEMS WITH FRINGE DEVELOPMENT

Related to the planning issue is the question of the impact that unorganized areas located on the fringes of organized municipalities can have. As noted, several unorganized communities are found in such locations; examples include the oft-mentioned Sault North area, the Phelps Township/Redbridge area near North Bay, the Gorham/Lappe cluster on the Thunder Bay city limits, and a number of others. In addition to the aforementioned difficulties posed by all unorganized areas, those located near larger,

⁷² Ontario Ministry of Municipal Affairs, Chapleau Local Government Study, Terms of Reference (NP, ND) p. 2.

⁷³ McNeely-Tunnock, p. 4.

⁷⁴ Ontario Ministry of Intergovernmental Affairs, pp. 3-4.

municipally incorporated centres pose of number of additional stresses.

Obviously, planning is a major concern. The existence of the planning difficulties discussed earlier can have considerable impact on nearby centres, leading to a desire to control development. The Northern Annexations report describes some of the detrimental impacts that a municipality may have to react to due to poor planning on its fringes. These include a desire to ensure that uncontrolled development doesn't detract from aesthetic quality, and consequently, image. Similarly, the need to prevent detrimental economic and environmental impacts is also important.⁷⁵ For example, the Ministry of Intergovernmental Affairs suggested that the Town of Hearst annex surrounding unorganized areas in order to prevent pollution of its water supply.⁷⁶

In addition to planning matters, the use of infrastructure and services also places a strain on nearby municipalities. The Northern Annexations study provides a number of excellent examples. For instance, a municipality may be required to upgrade or repair roads leading to and from unorganized areas, as congestion occurs. However, no money for these projects would be forthcoming from beyond the city limits. In addition, the report also notes that community facilities, including pools, libraries, arenas and medical centres are often frequented by outsiders. Although user

⁷⁵ Ontario Ministry of Municipal Affairs, Northern Annexations p. 14.

⁷⁶ Ministry of Intergovernmental Affairs, pp. 3-4.

charges may support operational costs, the residents of unorganized areas generally make no contribution to capital expenditures.⁷⁷ In addition, it should also be noted that similar situations may arise with regard to more basic services as well. During the Legislature debates on the Local Services Boards Act, Sudbury MPP Bud Germa (NDP), a former city councillor, recounted situations in which the Sudbury Fire Department refused to respond to fire calls in adjoining unorganized areas. On occasion, deaths did occur, and the resulting public outcry more or less compelled the City to send its firefighters to emergencies in these areas. According to Germa, the result was that "the people who bought that fire truck were in fact cross-subsidizing people who by their own choice moved out of that community to avoid paying a fair share of municipal tax."⁷⁸

Overall then, it is apparent that fringe development in unorganized territory is a considerable source of stress on nearby municipalities. Lest the idea be conveyed that annexation is strictly in the provincial interest, it is a favoured option used by municipalities to address these problems. Indeed, the effects are quite real. The Northern Annexations Task Force report noted that one financial study revealed that municipalities "located in an area with nearby development in unorganized areas" had expenditures 10 to 20 percent higher than those in a control group

⁷⁷ Ontario Ministry of Municipal Affairs, Northern Annexations p. 12.

⁷⁸ Legislature of Ontario, Hansard 18 October 1979, p. 3645.

of municipalities where fringe development was not an issue.⁷⁹ Clearly, the impacts on organized municipalities and their taxpayers is considerable.

DEMOCRACY/FRAGMENTATION

Given the province's important service provision role, it should come as no surprise that a lack of local control is an inherent difficulty in the unorganized areas. Without municipal councillors duly elected by local residents, it is difficult for citizens to express concerns related to municipal-type services and functions in an effective manner. The best democratic recourse for provincial municipal-style services is through one's MPP, a task which could prove difficult, given the size of northern constituencies and demands on the elected representative's time.

To a certain extent, a considerable amount of democracy exists in the operation of the Local Services Boards and Local Roads Boards. As described earlier, residents can determine taxation levels (if any), boundary concerns, levels of service to be provided and other matters through direct vote. However, the powers and resources of these organizations are rather restricted, leaving many matters beyond their control. Residents at an LRB meeting can only make decisions about the roads they drive on, and allocate a few thousand dollars to their improvement. And of

⁷⁹ Ontario Ministry of Municipal Affairs, Northern Annexations p. 17-8.

course, not all residents are served by LSB's and LRB's.

Finally, there seems to be only a small degree of local control in the field of planning. Planning Board members representing unorganized areas are actually chosen by the Minister (or his minions), after responding to newspaper ads calling for members. The result, according to the Northern Annexations Task Force is that "[representatives] are not accountable to the residents of the unorganized area."⁸⁰ And of course, the problem of accountability also arises with respect to the direct assumption of planning duties by the province itself.

Fragmentation also poses difficulties in the provision of local democracy. As noted earlier, many industries, including Northern Development & Mines, Transportation, Health, Community & Social Services, Natural Resources, Municipal Affairs and a host of others, are involved in allocating services to the unincorporated territories. The Ministry of Municipal Affairs sees this as an unwieldy approach, calling it "complex," "fragmented" and "uncoordinated."⁸¹ Given the already limited degree of citizen input, this fragmentation would likely add to an already confusing situation, as citizens would be confronted with a bewildering array of organizations, all providing a different service. Similar separation of services also exists in the case of local self-help organizations. Given the strict jurisdictional areas in which they

⁸⁰ Ontario Ministry of Municipal Affairs, Northern Annexations p. 28.

⁸¹ Ontario Ministry of Northern Development & Mines, Northern Issues NP, ND, p. 1.

are allowed to operate, a number of local bodies would have to be erected to meet all citizen needs. This is evident in the Sault North area where, according to the Advisory Committee's 1991 study, there are some ten Local Roads Boards, four Local Services Boards, three Statute Labour Boards and a Planning Board, in addition to several fire teams and recreation committees. Of course, to these local groups, one may add a number of district-wide social services agencies and the provincial ministries mentioned earlier.⁸² Such a plethora of bodies and organizations would probably make citizen participation in local affairs more difficult than in an organized municipality.

CITIZEN OPPOSITION TO CHANGE

While provincial and municipal governments may wish to react to the problems outlined above, they do not do so in a vacuum. The opinions and actions of the residents of any one particular area, or indeed all 50000 inhabitants across the north, must be taken into consideration. And past experience has shown that these beliefs certainly do not make the task any easier. Overall, the convictions of the inhabitants of the unorganized areas regarding change may be summed up in one word: opposition. Many annexation and incorporation attempts have been stubbornly resisted.

There are a number of examples of local opposition to

⁸² Advisory Committee on the Area North of Sault Ste. Marie, p. 1-2.

modification of local governing arrangements. The trials and tribulations of the Sault North area provide one of the finest. In describing the context in which its 1991 study was performed, the Minister's Advisory Committee noted that its findings were only the latest in a lengthy series of attempts to solve the difficulties present in the area. According to the report, the province first announced that the area would be incorporated in the mid-seventies, facilitated through an Official Plan created through the newly-formed Sault North Planning Board. This attempt was abandoned in 1980, in the face of vociferous local opposition. After new proposals for resort development renewed interest in the area, the Hamblin study (previously cited) was commissioned. Once again, incorporation advised. Finally, the Advisory Committee report itself, as noted earlier, favoured the formation of a new municipality, but didn't recommend it, due in part to local opposition.⁸³ The degree of opposition to the incorporation of Sault North remains considerable, as the 1991 study notes that residents fear a "proliferation in services that will cost dearly in taxes." Consequently, residents are prepared to express vocal opposition in defence of the status quo.⁸⁴

The vehemence of local opposition was also evident in the Blind River annexation case. As noted earlier, the OMB approved the Town's bid to annex one unorganized township and the majority of

⁸³ Minister's Advisory Committee on the Area North of Sault Ste. Marie, pp. 1-3.

⁸⁴ Minister's Advisory Committee on the Area North of Sault Ste. Marie, p. 28.

another. However, this was only the cumulation of a long, drawn out process that was the cause of considerable bitterness among area residents. Indeed, even the Town Council was divided on the issue, as the OMB report noted that Abraham Shamas, the Town's Deputy Mayor, spoke against the annexation during the proceedings. In addition, in a rather clever move, several residents of one of the townships purchased some land within the Town, according them the right to vote in municipal elections and, to a certain extent, shape their own destiny.⁸⁵ The bitterness of this long-running battle will probably remain for some time.

According to the Northern Annexations Report, such attitudes toward annexation are not uncommon. Indeed, it lists local opposition as one of the greatest barriers to such actions. The general feeling in these areas, the report states, is that there are "no benefits to becoming part of an existing municipality." More specifically, the residents feel that they already enjoy the use of municipal services, in addition to the benefits of low taxes and few controls. Furthermore, they feel that as provincial taxpayers, they already make contributions towards the provision of services through provincial grants to municipalities. How then, would they benefit from changing a very favourable situation? Residents seem perfectly content with the status quo.⁸⁶

Insofar as an explanation for the apparent unwillingness of

⁸⁵ Ontario Municipal Board, pp. 29-30.

⁸⁶ Ontario Ministry of Municipal Affairs, Northern Annexations p. 29-30.

the province to force annexation of incorporation is concerned, there are a number of possibilities. The provincial attitude is somewhat curious, when one considers that initiatives like Regional government and annexations in Barrie and London took place with little regard for local opposition. One possibility may be the difficulties that a new municipality might have if it were formed against the wishes of its residents. Governance could be extremely difficult if local inhabitants despised their municipality, and resisted its every move.

A second possibility is of a political nature. Despite the fact that there are only 50000 people living in the unorganized areas (plus many cottage owners), spread out across many provincial ridings, it is possible that there are wider political motives at work. In a book examining northern Ontario's role in the 1987 provincial election, G.R. Weller wrote that northern Ontario was considered a key area by the Liberals, and consequently received special attention throughout the campaign. This would likely indicate a non-willingness to alienate voters in the region, including those in unorganized areas.⁸⁷ This trend may continue with the present NDP government, as the north has always been a traditional bastion of the party. Indeed, many powerful cabinet positions in the present government, including the Treasurer, the Attorney General and the Minister of Natural Resources, among others, all represent northern ridings. Interestingly enough, the

⁸⁷ Weller, G.R. The North in the Ontario Election of 1987 Lakehead Centre for Northern Studies, Research Report #12, 1989, pp. 15-6.

Minister of Natural Resources is none other than Bud Wildman, MPP of Algoma, and thus representative of the Sault North area. The Conservative reluctance to force a solution during their many years in power is harder to explain. It may be that the PC's wanted to prevent their support from slipping further in what has traditionally been a NDP/Liberal stronghold (federally as well).⁸⁸ Of course, as the Northern Annexations Task Force points out, these wider political endeavours could be jeopardized if MPP's were forced to take a position favouring annexation. It is therefore easy to see why the semi-autonomous OMB vehicle is favoured.⁸⁹ And finally, one must consider the fact that in the great scheme of deficits, health care and the Constitution, the matter of the provision of municipal services to 50000 widely scattered people is probably not going to occupy the top position in the political agenda.

The overall situation then, is generally self-explanatory. Unorganized areas present considerable attraction to their inhabitants, due to access to services, low taxes and few controls or restrictions. At the same time though, there is a considerable burden on the province and on nearby municipalities, and opposition to changes in the status quo. Undeniably, the ongoing task to alleviate these difficulties, to the satisfaction of all concerned,

⁸⁸ Weller, Ontario Election p. 17.

⁸⁹ Ontario Ministry of Municipal Affairs, Northern Annexations 30-1.

will continue to be a difficult one.

There are a number of possible solutions to the problems of the unorganized areas, including some form of upper-tier government, forced organization, maintenance of the status quo, and a massive annexation program involving many municipalities. It is not possible to examine the pros and cons of these and other options; however, one possible means through which the situation in the unorganized areas could be improved will be discussed here. Firstly, as noted, the Ministry of Municipal Affairs has encouraged organization through one means or another. This is an attractive option, for it removes the need for provincial service provision while ensuring that services are furnished. In addition, a greater level of local democracy is created through the election of local councillors, planning problems can be corrected, and tax inequities can be eliminated. However, citizen opposition to organization has limited the use of that option. Consequently, a means should be found to encourage the citizens to accept, or even seek organization. This is a daunting task, given the apparent attraction that unorganized areas hold for their residents. One means through which this could be accomplished is by substantially increasing the Provincial Land Tax.

As noted earlier, the present levels of this tax are ridiculously low, and barely cover the costs of collection. Increasing the Land Tax to a level similar to those of organized municipalities, if not higher, could reduce the "competitive advantage" that the unorganized areas now enjoy. Such an action

would also have the benefit of raising provincial revenue, to offset the costs of service provision. More importantly, raising the tax to approximately \$400/year, and indexing it for future increases could encourage the residents to seek a greater say in how this money is spent. This in turn could increase support for organization. The process could naturally filter out some of the better candidates for incorporation as well. Obviously, some unorganized communities are simply too small or isolated to be organized, and while an updated Land Tax wouldn't change this, it probably would reduce the benefits of living on the outskirts of an organized municipality.

This is not a perfect solution. The only problem that it directly addresses is that of taxation. Other questions such as democracy, fringe development, and provincial service provision are dealt with indirectly, in hopes that the increased taxes will encourage organization. There is no guarantee that this will occur, but at the very least it should address some of the inequities present. Furthermore, it also has the advantage of being less risky politically. While a bill increasing the tax would probably raise the ire of many residents, it would be easier to justify given the present state of the Provincial Land Tax and the fact that it has remained unchanged since the fifties'. And if nothing else, it would increase the charges to services already provided by the province, thus lessening the financial burden.

Surprisingly, this option is mentioned only occasionally in the studies already cited. The Northern Annexations report touches

on the question of the Provincial Land Tax in considerable detail (noting with some surprise that it has not been scrapped or changed already), and also discusses the need to reduce the benefits of living in the unorganized areas. However, it does not examine the effects that raising the Provincial Land Tax would probably have on encouraging organization, reducing inequities or in increasing provincial revenue.⁹⁰

This is but one brief suggestion for improving what is obviously a rather troublesome situation. Despite the relatively small number of people living in unorganized areas, it would seem fair to say that the difficulties posed by the areas in which they live are somewhat out of proportion to their size. In any event, the provincial government has taken an interest in the subject as of late, evidenced by a recent series of Local Government Studies and support for annexation attempts. This newfound concern may yet bring about elements necessary to alleviate some of the problems described. Nevertheless, the difficulties and resistance are almost as formidable as the rugged terrain of the north itself.

⁹⁰ Ontario Ministry of Municipal Affairs, Northern Annexations.

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