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BUSINESS

BUSINESS

Federal parties 'discover' Southwestern Ontario's manufacturing muscle



Prime Minister Stephen Harper answers a question during question period in the House of Commons, Tuesday, Dec. 9, 2014 in Ottawa. THE CANADIAN PRESS/Adrian Wyld



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**Doug Schmidt**

Jan 29, 2015 - 6:03 PM EST

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What a difference a cheaper barrel of oil and a weakened dollar can make on the Canadian political landscape — and in the potential fortunes of Windsor and Southwestern Ontario.

The leaders of the top three federal political parties are suddenly tripping over themselves with promises to help the region and its much-diminished, but still-mighty, manufacturing sector. Stephen Harper, Tom Mulcair and Justin Trudeau have each made a point in recent days of publicly touting the importance of this area's industrial sector.

“My question is, where were they five years ago?” said University of Windsor political scientist Lydia Miljan. That's when a brutal recession ravaged the region, with factories closing, companies moving out and thousands upon thousands of jobs lost.

The bonus this election year, said Miljan — who confesses to some cynicism — is that it's an opportune time for the politicians to make manufacturing promises and then take credit for a potential economic rebound. “With the dollar down and oil prices down, our competitive advantage suddenly reappears. They don't have to do anything ... the problem solves itself,” she said.

NDP Leader Mulcair on Tuesday unveiled his party's three-pronged economic strategy, all geared to boosting the manufacturing sector — a reduction in the small business tax; extending a program that allows for accelerated tax write-offs for machinery investments; and expanded research and development tax breaks.

The Liberals, including Trudeau on a recent swing through Southwestern Ontario that included Windsor, have been tearing into the Tories for focusing too much on the West's petroleum sector, which is now reeling from plummeting crude prices.

The Harper government is now indicating there will be a stronger manufacturing focus in the upcoming budget.

Miljan said businesses are no different than consumers, always looking for the best deals. Being close to the border, and with oil prices

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and the dollar tumbling, she said manufacturing in Windsor and Southwestern Ontario is looking good on its own.

Others are less inclined to think government won't continue to have a strong role to play in fixing Ontario's ailing manufacturing sector, especially the key automotive industry.

"Every edge counts given the ferocious competitive environment in North America and the world," said Matt Marchand, president and CEO of the Windsor-Essex Regional Chamber of Commerce. "The return of manufacturing (in Ontario) is not a given by any stretch of the imagination," he added.

Last year, the local chamber, in partnership with Unifor and the University of Windsor, spearheaded a national lobbying effort to get the federal government to adopt a new Canadian auto strategy. Windsor-Essex teamed up with London at the national chamber of commerce annual general meeting in the fall, and the gathering's "signature resolution," passed unanimously, was a call for Ottawa to focus on manufacturing, and the automotive sector specifically.

"We've certainly had an impact ... we really hit something," Marchand said of the lobbying effort by business, labour and academia.

Government has to join in to aggressively pursue the new automotive jobs that are moving elsewhere, he said.

"Since the recession, there's been significant new North American auto and manufacturing investment, but Ontario has not participated in that," said Marchand. A national auto strategy, he added, would help "counter the loss of 300,000 (Ontario) jobs at a time when Michigan has seen an investment influx."

Miljan said she'd be wary of political parties making promises at a time when she sees Ontario's manufacturing rebounding on its own. Her hope is for government to "stay out," pointing to the Liberals and NDP warming up to the idea of carbon taxes.

"That could scare away investment," she said.

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