

CONTENTS



Introduction - With Glowing Hearts

Canada's Invisible Cities 1

1 - We See Thee Rise

From Forest to Farm to City 23

2 - From Far and Wide

The Changing Complexion of Canada 45

3 - Strong and Free

Twenty-First-Century Challenges with Nineteenth-Century Tools 67

4 - Sons Command

Control of Destiny for Our Cities 87

5 - A Lasting, Rich Reward

How to Pay Our Own Way 109

Introduction

WITH GLOWING HEARTS

Canada's Invisible Cities



It started on March 3, 1993, at Toronto's Sheraton Centre hotel across from City Hall, where a large and eager crowd gathered to hear a visionary immigrant challenge a member of the Canadian establishment on whether Toronto should declare its independence from Canada's Confederation and go it on its own. Or, at the very least, negotiate a new arrangement with the country. A lot of them had already made up their minds, and they were restless and ready to be inspired. Would they take to the streets, refuse to pay their taxes, or mount a mighty resistance to the unfairness they all sensed?

This could have been a scene from another age. It might have been John Alexander Macdonald from Glasgow, or William Lyon Mackenzie and his followers who surged up Yonge Street and mounted the 1837 rebellion against the "Family Compact," or the anti-amalgamation crowd behind rebel former mayor John Sewell and Citizens for Local Democracy, the cyber-labelled C4LD, 160 years later.

In fact, it was something more sedate, but which had reverberations that began to change the conversation in Canada towards the plight of the big cities, a conversation that was picked up by a future

prime minister, and one that fuelled municipal unrest into the start of the twenty-first century.

The visionary was Joe Berridge, a normally affable and well-mannered man occasionally given to provocative and inspiring commentary on the urban condition. Berridge was a well-known urban planner, a transplanted Welshman from up the ancient valleys who had worked as a Toronto city planner before forming his own firm, Urban Strategies, and who was on his way to becoming one of the top international planners working around the world. The prince of the establishment was now-Senator David Smith, a Toronto lawyer who had been a federal member of Parliament and a cabinet minister, and was one of the big movers and shakers in the Liberal Party of Canada. Smith represented Canada As We Know It, and Berridge was the challenger.

The occasion was a debate the Canadian Urban Institute staged on the topic, “Should the Greater Toronto Area form a separate province within Canada?”—a play on the ongoing Canadian obsession with Quebec separation. Berridge argued for the motion, Smith against.

Berridge, in his compelling style, put the challenge dramatically: Here’s the deal, Canada; give us our freedom, and we’ll send you the money we send now through the federal wealth-sharing programs, indexed to inflation, forever. You only want Toronto for our money, he said. We’ll thrive unleashed from the strictures of federal and provincial governments, because we’ll be able to construct policies and programs in a nimble way that will let us respond to international competitive challenges. His argument was based on the notion that the Toronto region was a dynamic economic producer of wealth, and that it contributed far more to the national coffers than it received back in tax-paid goods and services. These were the funds that were transferred to the less wealthy parts of the country through equaliza-

tion payments and other grants, and which funded the large bureaucracies of those governments. But Toronto had to go to the federal and provincial governments to plead for the infrastructure that would fuel its economic growth, things like an improved airport, roads, rail service, and financial industry regulatory liberalization.

Smith replied that Canada was a great success, that we had a tried and true way of dealing with these things, that the constitutional mechanisms for change were complicated and arduous, that the federal and provincial governments would surely find ways to deal with local discontent, and that he was frankly a little surprised that the good people of Toronto did not recognize, and indeed were not more grateful for, all the things that the government did for them.

Berridge won the debate handily, as the audience divided over 90 percent for him. It was a room full of urban wonks, people who worked in municipal, provincial, and federal government departments, academics, politicians, and business people whose main markets were governments and their agencies. It was the first time I had heard Berridge's argument put that strongly and in quite that way, and it fascinated me.

What if Toronto decided it wanted to separate from Canada? What if it took a page from Quebec's playbook and began to mount a separatist movement? What would be the response of the rest of the country to its claims of historic grievances, and to its grossly unfair treatment?

What might its grievances be? It is underrepresented in the House of Commons, with fewer seats than its population would warrant, and so doesn't enjoy representation by population. It annually sends much more money to Ottawa than it gets back in goods and services from the government. It has a citizenry that is distinctly different from the country as a whole, made up of close to 50 percent immigrants and 50 percent visible minorities. It is focused on the challenges of the new

economy in the midst of a country still focused on the old economy. It consistently gets ignored as federal government support puts comedy museums in Montreal and infectious disease centres in Winnipeg. It gets less money per capita for social programs than other parts of the country. It is tired of being the cash cow of Confederation.

In many ways, Toronto has a better argument for distinct treatment than does Quebec, or even the Alberta “firewall” secessionists. Unlike Quebec, which is “bought off” year after year with more powers, more money, and more attention, or Alberta, for which Canada blackens its eye in the international environmental community by ignoring the massive pollution and contamination of its water resources so that the province can enrich itself on oil sands dollars, Toronto is expected to be the quiet donor to the federal coffers, enduring decade after decade of empty promises from federal leaders who only show up to speak at one of the huge fundraising dinners that keep their party machinery running.

Toronto’s role in Confederation, it seems, is to keep quiet and send money.

But the denizens of Canada’s largest urban region are restless. And they are not alone. In Vancouver there is also a sense of unrest, as people are beginning to see that city occupying the same place in the context of British Columbia as Toronto does nationally. And even in Montreal, people are beginning to wonder why the golden goose of Quebec is propping up the rest of the province.

This is a story of Canadian cities coming of age, of having become over the last fifty years the dominant political entity in the country, and now realizing the inadequacy of the tools at hand to control their own destinies. The story plays out in city halls across the country as mayors and councils try to stretch municipal budgets to meet growing demands for goods and services while federal and provincial coffers

overflow. The discontent that first erupted in Toronto has spread to other cities across the country as their leaders recognize the basic disconnection between the vast potential of our urban regions and the constraints our government structures put in the way. And it will play out in provincial legislatures and on Parliament Hill in Ottawa, as first ministers slowly realize that fealty to old constitutional structures is a precious conceit in a world where competing urban regions will blaze the arc of history.

Why Cities?

My interest in the topic of cities developed slowly. During the 1960s, when I was at the University of British Columbia, I read Jane Jacobs' *Death and Life of the Great American Cities* (1961), which began to form in my awareness the city as a dynamic interplay of forces. And Jacobs' 1984 book, *Cities and the Wealth of Nations*, really put cities in the forefront of my mind.

In Toronto in the 1970s, a large number of my friends were working as planners, and eventually as senior civil servants, in the municipal government. It was a dynamic time in the city of Toronto, during which a group of activist councillors that included future mayor John Sewell, William Kilbourn, and Colin Vaughan encouraged Mayor David Crombie to embrace an agenda that included the building of housing and the retention and strengthening of neighbourhoods. Where other cities, particularly in the United States, were demolishing downtown neighbourhoods for expressways, office towers, and large-scale housing projects, Toronto was able to retain strong downtown neighbourhoods and manage growth in a way that genuflected to the mixed-use ideas of Jane Jacobs. Crombie spearheaded the building of the St. Lawrence housing development in the lower east quadrant of downtown, a landmark development that garnered fame

for including seamlessly a range of income levels in a high-density project that didn't look massive, and which included parks and recreational amenities, all within a ten-minute walk of downtown. To watch all this happen, and so much more in that era, was a revelation as to what was possible, and an endorsement of the city's high capacity to achieve notable things, when there was money and friendly governments on Parliament Hill in Ottawa and Queen's Park in Toronto.

I was working in business, in the process of forming a private investment company, when at the end of the 1980s a friend suggested I get involved with some people starting the Canadian Urban Institute (CUI), so I joined the founding board and helped build the Institute. This brought me more closely in contact with city issues, not just in Toronto but across the country. It also brought me into contact with Jane Jacobs, whom I had known only as a reader of her books. It also gave me the opportunity to moderate the Berridge-Smith debate.

Ideas That Matter

In 1995, my colleagues and I began to plan a celebration of Jane Jacobs' work. I felt that Jane's important body of work was not as well known as it should be, particularly among progressive people in the US who were dealing with issues and problems that would have been helped had they known of her thinking. And I thought we needed to inject the question of the place of cities in Canada into the public discourse, as a way of elevating their importance in the public consciousness and among the political elite.

Working with my colleague Mary Rowe, we organized a five-day series of events in October 1997 that looked at the whole range of Jacobs' work, on streets, neighbourhoods, and cities, on economies, on ethics, and on nature. We called it Jane Jacobs: Ideas That Matter. We later took the phrase Ideas That Matter for the name of

the organization that would be centred on Jane's ideas, but which would also look for other innovative ideas that highlighted the interconnectedness of things, which had become Jane's compelling observation at the end of her life. There were the usual panel discussions and speeches, there were performances by singers and artists, there were tours, and there was even a canoe trip down the Humber River led by Joe Berridge. The celebration took place all over the city, with people getting from place to place via Toronto's "red rocket" streetcars. It culminated in a big meal served in the foyer of BCE Place in downtown Toronto, under the soaring canopy designed by Santiago Calatrava—Jane's idea of commensality, or sharing together.

A Charter for Cities in Canada

In the spring of 1999, my colleagues and I convened a group of people to look into the place of cities in Canada, at a small invitational conference we called *The Evolution of Toronto*. This was a direct response to some of the interest, and urgings to continue, which had come up at *Ideas That Matter*. We commissioned a few papers on issues like environment, finance, and government in the city, and held a two-day meeting at the Royal Alexandra Theatre in Toronto, which David Mirvish donated for the purpose. (The meeting subsequently became referred to as *The Mirvish Meeting*.) We published a book of the proceedings of that meeting, called *Toronto: Considering Self-Government*, which garnered enough interest that it went to a second printing.

At the end of the meeting, we issued an invitation to those who wanted to continue these discussions to gather in my boardroom. About twenty-five people showed up, including Jane Jacobs, three former Toronto mayors (Crombie, Sewell, and Barbara Hall), journalists Richard Gwyn, Michael Valpy, and Colin Vaughan, University of Toronto urban academics Patricia McCarney, Meric Gertler, and

Carl Amrhein, and people who had been around these issues for years in government, such as former Ontario deputy minister Don Stevenson, former Toronto alderman Richard Gilbert, and municipal finance expert Enid Slack. This group met every few months for well over a year.

There was remarkable consensus on what the problems were, and a fairly quick identification of the need to broaden the awareness of them. After a few meetings, the idea of a charter document arose, much like the ones on cities adopted by the European Union and the Federation of Canadian Municipalities. We produced *Towards a Greater Toronto Charter*, a statement of some basic principles of authority and accountability for the city region, as well as a description of some of the powers we thought the Toronto region should have. It was not very difficult to come up with these powers; they are roughly those of a province, in the Canadian context. Following publication, the document was endorsed by a number of local municipal governments. While those endorsements didn't effectively mean much, they indicated that there is much more that unites people and governments across the Toronto region than divides them. And they indicated a strong sense among elected municipal officials that they lacked the powers and respect they needed to be able to fulfill their responsibilities to citizens.

The group that had developed the Charter continued to meet, turning their efforts to strategies and tactics that might result in some change in practice between the three levels of government. The meetings were recorded for the CBC Radio program *Ideas*.

I had always thought that, ultimately, this would not be a problem to be solved with logic or a better argument; rather, there would have to be some political energy and action. As Conference Board of Canada president Anne Golden, who had done a milestone report on the future of the Toronto region in 1995, put it, "It's not as if we

haven't put the right argument to the right people in the right place at the right time before." This view had been bolstered in a discussion Jane had had with people from the Privy Council Office in Ottawa, who asked what the Canadian mayors were saying collectively.

The C5 Mayors

We had encountered the collective voice of Canadian mayors and cities, the Federation of Canadian Municipalities. A membership organization, the FCM represents over 1,600 municipalities, ranging from Toronto, at 2.5 million people (city proper, not the region), to Tugaske, Saskatchewan, at 116 people. The FCM's Big City Caucus has twenty-two members, but over half of these have populations of less than half a million people, hardly an international description of a big city. One of the great challenges facing the FCM is to arrive at consensus across the 1,600 members, or even across the twenty-two in the Big City Caucus. As such, it did not have a reputation as a powerhouse politically, although it had done excellent work in cooperation among towns, villages, and cities, and in gaining some favourable tax treatment for municipalities. But clearly the PCO officials had not heard from FCM, and suggested that an effort to rouse a new political voice from the mayors of the large cities might bear fruit.

We had talked about mobilizing mayors before, but were a little uncertain how to go about it. In 1998, Toronto had been forcefully amalgamated by the province, over the objections of the constituent cities and most citizens. The cities that had made up Metropolitan Toronto, with their distinct city councils, had been made one city with a large new council, and former North York mayor Mel Lastman had been elected mayor. Lastman was a character, given to periodic showmanship and mugging and making deals with big developers. He had little time or inclination for cooperating with other cities, and his

relationships with other levels of government were famously variable, ranging from smiling photo ops to colourful harangues. On the other hand, Canada's two other urban regions, Vancouver and Montreal, had good and steady mayors. Philip Owen in Vancouver had been elected to three terms, was the son of highly regarded British Columbia lieutenant governor Walter Owen, and had guided Vancouver with a steady hand. Pierre Bourque in Montreal was the former head of the Montreal Botanical Garden, and had been mayor since 1994. Al Duerr was mayor of Calgary, having won four terms of office, and was both popular with his constituents and very bright.

But the most noteworthy mayor in Canada in late 2000 was Glen Murray, elected mayor of Winnipeg in 1998 after running as an openly gay candidate. A former city councillor, Murray was tremendously articulate and an avid devotee of Jane Jacobs' ideas. Jane phoned Murray to see what he thought about getting some of the big-city mayors together to push for more control of destiny for Canada's cities, and he responded enthusiastically, offering to help recruit the others. We had originally thought of four cities, the three urban regions and Calgary, because of its oil-based economic clout. Winnipeg is Canada's eighth-largest city, with Edmonton, Ottawa, and Quebec City lying between it and the four mentioned above, but thanks to Murray's excitement for the idea, Winnipeg was in.

We held the first meeting of what we termed the C5 Mayors in Winnipeg in May of 2001. Each delegation was headed by its mayor, but also included leaders of business (the board of trade or chamber of commerce), social sector (United Way, Centraide, or Community Foundation), and labour (either the local labour council or a prominent labour leader). Some of the mayors brought along additional participants, like the chief administrative officer or city manager, a prominent local businessperson, or a trusted adviser like Ivan Head,

who accompanied Mayor Owen. The agenda began with a talk from Jane Jacobs about the purpose of meeting and the problem with the status of cities in Canada. Then each city made a presentation, much of which focused on its fiscal plight compared to its needs. The next day, after an intense morning meeting, the mayors met with an initially skeptical press, who seemed to think they were grandstanding. That, of course, was part of the point of the meeting, and they managed to get some good coverage the next day.

That first meeting set the pattern for those that followed. Most particularly, there was strong participation by the non-mayoral delegates. Many of them had not thought about the problem of the way cities were treated, and when it dawned on them how debilitating it was, and how many of the issues they were dealing with could be traced to this structural defect, they became very interested, and some became rather intense. That cohort of people grew more passionate, and we termed them the C5 Civil Society, or C5 Civil.

The C5 Mayors and C5 Civil met two more times, in Vancouver in January of 2002 and in Montreal in June 2002 at the time of newly elected mayor Gerald Tremblay's Montreal Summit. The C5 Civil met two more times without their mayors, in Toronto in January and again in October 2003. In late 2003, Toronto elected David Miller as mayor, and he immediately embraced the issue vocally and publicly. I had always thought the mayors themselves should be the driving force behind a national voice for cities, and with Miller leading from Toronto, the C5 could fade into history.

The C5 had a short life span, but it served as one of a number of agents in putting the issues into both the political and public discourse. Others were various boards of trade, especially in Toronto and Calgary, the Toronto United Way and the Conference Board of Canada under Anne Golden, the Winnipeg branch of the Canadian Union of Public

Employees under Paul Moist, the Canada West Foundation under Roger Gibbins, the TD Bank through the work of Don Drummond and Derek Burleton, and latterly the Toronto City Summit Alliance under chair David Pecaut.

Focus on Finance

The work of Ideas That Matter stayed “on the file,” but with less active convening. Jane Jacobs was busy writing what would be her last book, *Dark Age Ahead*, and when Jane was writing she did not want to make time for activism, or at least not sustained activism. Mary Rowe and I had a conversation about where the gaps were, because so much activity was now underway in 2004 and 2005, and we both agreed that the big one was fiscal. There was a lot of misinformation or fuzzy thinking afoot. For example, when politicians talked about channelling more money to cities, about hotel taxes or shares of gas tax, they tended to do so in terms of a panacea. In fact, compared to municipal budget deficits, such taxes generate funds that are barely material. The big tax instruments, the ones that provide the large revenues that can make a real difference, are income and sales taxes. We felt there was a need for an organization to provide such ongoing commentary.

And we knew who should head it: Enid Slack, the “go-to” person on municipal finance in Canada. Enid had been mentored by Richard Bird and Harry Kitchen, the previous generation’s go-to guys, and had been part of all our activities since Toronto Charter days. So, together with Enid, we approached Janice Stein at the Munk Centre at the University of Toronto and set up the Institute for Municipal Finance and Governance (IMFG), which has since become a focal point for research on those topics, for teaching students, and for convening conversations about the future of cities in Canada.

From Hinterland to City Streets

Canada is bound in a structure of government designed by the process of Confederation, begun in the middle of the nineteenth century and grown incrementally over the next four decades as most of the component pieces of the country were added. At Confederation in 1867, four “provinces” agreed to join to become Canada: Upper and Lower Canada (Quebec and Ontario), New Brunswick and Nova Scotia. By 1905, nine of the present ten provinces had joined, with only Newfoundland to follow in 1949.

From its first settlement to the end of the nineteenth century, Canada’s wealth was concentrated in its hinterland. The First Nations hunted and gathered the bounty of the land. With the arrival of Europeans, furs and trees were harvested and transported for sale in European markets. The early explorers forged routes across the continent, eventually mapped by rigorous men like David Thompson and Simon Fraser, to siphon the goods to Atlantic ports for shipment to England and France. As such, the capacity to encompass territory was a critical economic activity, so the mapping and claiming of vast amounts of land became important. The more the better. And the relative harshness of the northern climate was not a particularly negative factor. In fact, it made animal fur thicker and more shiny.

Settlements in the early days, both native and European, were small and mobile. They tended to move where the commercial activity was. They moved to the mouths of eastern rivers to receive the logs that had been cut and floated downriver. And they moved to the points where rivers came together to serve trappers and traders. Only in the middle of the nineteenth century did any cities begin to develop, and they were relatively small. In 1850, Canada’s biggest cities were Halifax, Montreal, Quebec City, and Toronto, ranging in population from

30,000 to 50,000. Of a total Canadian population of about 1.3 million, fewer than 20 percent lived in cities.

Some people, like David Thompson, lived in cities after a life in the wilderness, but their occupations drew them back to the countryside. Thompson did extensive surveying around the Great Lakes in his later years, but lived in Montreal before finding his final home in rural eastern Ontario.

Most people living in cities engaged in activities of commerce: supplying goods and services and providing investment capital for commercial activities.

From the first development of cities in Canada, urbanization has been the dominant trend. By the end of the twentieth century, the ratio of 80 percent rural to 20 percent urban had been inverted. In fact, half of Canadians now live in the great urban regions of Toronto, Montreal, and Vancouver; and, adding in the next seven cities by size, Canadian cities give home to three-quarters of the population.

Governments Lag Behind

Canada has become a predominantly urban nation. But you might not know it from listening to the political discourse in this country. An inspection of what they talk about in the federal parliament would lead you to believe this is still a largely rural country, dominated by logging (softwood lumber), cattle farming (mad cow disease), and grain farming (the Crow's Nest Pass Agreement and subsequent accords on grain shipping rates). There is little talk of the regulatory investment environment, HIV-AIDS, or urban transit. And an inspection of the provincial *Hansards* would not be much different.

And, in fact, the distribution of seats in the parliaments across the country shows a strong bias towards rural representation, with the average rural ridings having 30 percent fewer voters than the average

urban constituency. The distribution of seats has not kept pace with the rate of people moving into cities.

It is the overwhelming choice of immigrants to Canada to live in a city—about half of them choose to live in the Toronto region, and most of the rest choose Vancouver, Montreal, or Ottawa. No wonder: in the cities they can find relatives, people who speak their language, housing, markets that sell the foods they prefer, and programs to facilitate their settlement in language, work training, and cultural adaptation; and, most importantly, they can find work. It is not that a smaller place couldn't offer some of these things, but very few places can offer the breadth and depth that large cities do. For example, former Winnipeg mayor Glen Murray wanted to increase that city's capacity to welcome immigrants, because he knew what a tremendous benefit they are to a community, but he left office before he could outfit the city appropriately.

The modern Canadian city is unconnected to the old Canadian myths of the wilderness. The Canada of furs, logs, wheat fields, canoes, and the cry of the loon at the lake has given way to the energized city of café and boulevard society, the opera, or a hip-hop concert. What passes for a day in the outdoors for many Canadians, and many new Canadians in particular, is spent at Burnaby Lake in Vancouver, on the Toronto Islands, or on Mount Royal in Montreal. The old Canadian tradition of quitting the city for the country, either to the cottage on a weekend or to a small town when the working life has finished, is receding. Instead, retired couples are finding lofts downtown, where they can walk to all the shops and markets they need, and find a wide range of places to eat, watch a show, or stroll in a park. In Toronto, they can ride the subway to a ravine park, walk for a couple of hours surrounded by trees, flowers, and grass, emerge on a city street for a coffee, and take the transit system back home. In Vancouver, they can walk for hours

along the seashore, from the old Canadian Pacific train station on the inner harbour, around Stanley Park and False Creek, out to Kitsilano on English Bay, stopping at Granville Island on the way for lunch or coffee. The country in the city is the new trend, and Canadians love it.

If you look at who lives in Canada's large cities, it is increasingly people born outside of Canada, who have little sense of our wilderness history and mythology, except what they may have seen in a Canadian government travel poster or brochure. The official government depiction of Canada is still replete with the Rocky Mountains, lighthouses, and pristine lakes. But the newcomers come to Canada's cities, and particularly to Toronto, Vancouver, and Montreal. Their idea of Canada is urban and highly social. Part of this is practical. They know that the city is where opportunity abounds, and where they can find transitional help until they have found their feet. That isn't to say that they will not come to enjoy the non-urban parts of Canada, as do most Canadians from time to time, but they will come to it fresh, not with the baggage of myth.

This abandonment of the old myths is not merely symbolic. In fact, the economic nature of the country has changed dramatically. Canada's economy was founded on resource extraction—first the harvesting of furs and fish, then the removal of wood and minerals. The development of large grain farms on the prairie, the discovery of oil in Alberta and Saskatchewan, and the growth of a large cattle industry completed the picture that for many exists to this day, the picture of Canada as a place where wealth springs from nature. But a close look at Canadian economic figures shows that less than 5 percent of gross domestic product comes from these industries.

Since the end of the Second World War, the backbone of Canada's economy has been automobile manufacturing and house construction, both very much urban concerns. The growth of a large and dynamic

automotive industry, first under the protection of British Preferential Tariffs, then the Canada–US Auto Pact, and finally through the attraction of the big Japanese manufacturers, has been critical to the economy. Much of that production has been in central Canada, where most Canadians live. And the growth of a powerful and skillful construction industry, in demand around the world, has been a critical economic factor. Canadian property developers and builders, and their attendant professions of planners, architects, and other service professionals, have built strong firms in Canada, but can also be found around the world wherever new homes and buildings are rising.

This shows that Canada’s economy is now based on information and design, the benchmarks of modernity. Whether it is the clear stars like Bruce Mau conceiving the articulation plan for the Museum of Modern Art in New York, architect Jack Diamond designing the city hall in Jerusalem, planner Ken Greenberg overseeing the reclamation of urban space over the Big Dig in Boston, or Roch Voisine producing a blockbuster music CD in Nashville, Canadians are working around the world. Where can you see them? Get on a Friday afternoon Canada-bound flight at Heathrow, La Guardia, LAX, Milan, or Tokyo, and you’ll see them—often in business class, thanks to their frequent-flyer upgrades—heading home for the weekend.

Or you’ll see them at midweek, travelling to the world’s financial capitals, because they work in the Canadian financial industries, developing internationally competitive products for investors and businesses. Leading Canadian investment managers like Burgundy Asset Management, Duncan Ross and Associates, and Gluskin Scheff perform with the world’s best. Canadians are good at business, despite a harping and lamenting press. York University business professor James Gillies has noted for years that Canada has more millionaires per capita than any country in the world.

Part of the discussion about the old and new economy in Canada has to do with how wealth is created. The old-economy view is that the wealth is in the ground: in the oil, the wood, the ore, and the wheat. The new-economy view is that the wealth is only created by getting those things out of the ground, and to do that requires the assembly of pools of capital that can support the extraction enterprise. That assembly of capital is the stuff of business, and it is typically done in the financial capitals, the big cities. The old-economy view, supported by labour, is that the process is exploitive of the hinterland and of working people, that the enterprise takes too much out and leaves too little behind. The new economy says that what should be rewarded are the risking of capital and the designing of a system that turns wheat into bread at the market, oil into fuel at the gas pump, and wood into a beautiful new home.

In a sense, the world has left this debate between the new and old economies behind. The old economy now occupies a small percentage of our economic space and our people. A trip across downtown Toronto will find people occupied in teaching and learning at schools, universities, and hospitals, in the design of everything from chic clothing to financial products, and in the delivery of social programs to kids, the aged, and the infirm. And, interestingly, if you were to take a trip across rural Canada, you would find a significant portion of the population engaged in the same types of pursuits. You would find Ian Kennedy, an early retired school teacher living on the east coast of Vancouver Island, earning a living writing for rugby and motorcycle magazines; Denny Morrow of Yarmouth, Nova Scotia, who has made a career organizing co-operative associations for fishermen, canners, and woodlot owners; and Wendy Maxwell of Gambier Island, British Columbia, who has designed an effective and innovative way for children to learn French.

But while Canadians have moved easily and seamlessly into the new economy, their governments have lagged far behind in three ways: voter distribution has failed to keep pace with urbanization; our parliaments continue to talk about such old issues as Quebec separatism and western alienation; and there is a fiscal imbalance that neglects the important places cities have become.

O Canada

This book looks at how Canada has become one of the most urbanized countries in the world since Confederation, and looks at some of the gaps that have opened up as our governing structures, practices, and habits have failed to keep pace. It will look at some of the great capabilities we have in Canada, and discuss how leveraging them properly could make us even more successful as a country. Finally, it will articulate a vision for Canada in the twenty-first century that will optimize our strengths, and seek to resolve our weaknesses, to produce a great country.

Section One looks at the two great twentieth-century trends of urbanization and immigration, and how they have converged to create a country dominated by its large, economically vibrant and diverse urban regions. These two forces are each outlined in their own chapter, and the dynamic result is examined, especially from the perspective of a political system that seems to have been caught by surprise and rendered paralyzed. The concept of “control of destiny” is critical to the ability of cities to succeed, and this section establishes it as the critical imperative for Canada’s international competitiveness.

Section Two breaks down the problem of our invisible or ignored cities into the component topics that must be addressed. A chapter looks at each of governance, powers, finance, and leadership. What governance structures can work best for which cities? What are the

necessary powers for cities to have for control of destiny? Do our cities have adequate financial tools at hand to be able to fulfill the expectations of their citizens? The crucial role of leadership is examined, not only by asking what kinds of leaders we need, but by asking whether successful leaders can emerge under the current structures and restraints.

Section Three looks to the future and imagines what could be done. The first chapter in the section imagines a minor reshuffling of current conditions, which a hard-nosed realist might agree to. But that would not take Canada very far, so the second chapter looks at something bolder, an empowering of Vancouver, Toronto, and Montreal as effective “city states” within their regions, a development that would be possible without major constitutional change. The final chapter looks more boldly still into the future, and calls for a substantial rebuilding of the country, taking the view that we cannot any longer afford to be captives of our constitutional documents if we hope to be masters of our future. I propose a bold change with the creation of three city-provinces in Vancouver, Montreal, and Toronto, along with a major redrawing of provincial entities through Maritime Union and Prairie Union.

Urban Nation is an homage to Canada, the country I love. Chapter headings borrow lines from our national anthem, and from the poem by Robert Stanley Weir from which the anthem is drawn. My intent is the one phrase which I do not in fact use: true patriot love.

The Urban Trend across the Generations: Changing the Conversation

I grew up in the 1950s in Vancouver, then a city of half a million people on the western edge of the continent. My memories were urban: riding my bicycle on a sidewalk over the crunch of maple keys, play-

ing football on a boulevard in a busy street, taking the bus down to the beach or to Ted Fraser's Book Bin, crossing the neighbourhood through laneways and backyards. As I dream, I think of long summer city days, of cars and buses, houses and gardens, and stores full of things to eat and read.

My father grew up in a town, in Brantford, Ontario, almost forty years before me. Many of his memories were urban, too, but they were balanced by a strong rural sense of his country. He spent his summers working at summer camps, and whenever he went away from Brantford, to school in Kingston, to Muskoka in the summers, he travelled slowly in the slow cars and over the narrow roads of the time, through slightly populated countryside. He remembered his time spent in canoes, camping by lakes, hearing the call of the loon, and fixing tires miles from any garage. But he moved to Toronto, then to Vancouver, and spent his life in a decidedly urban way: driving to work in downtown office buildings, talking on telephones, flying from airport to airport, and dancing to big bands in hotel ballrooms.

My sons have grown up in Toronto. Their lives have been very urban. The earliest safety lesson was to watch for cars. They learned to cross the one road at the end of our street, the only obstacle on their two-minute walk to the neighbourhood school. They began to take the bus and subway to school at age twelve; they meet their friends in bars, clubs, and coffee shops; they will become knowledge workers, adept at using computers and electronic tools to deal with issues and problems; and they have a very high tolerance for difference.

These three generations of men in my family span about a hundred years as I write this. This is roughly the period of time when Canada became highly urbanized, when we virtually lost our dependence on and connection to the land, and when we became one of the most successful countries in the world. Being born near the middle of the

twentieth century in Canada, I was a lucky beneficiary of this process of urbanization, which carried with it a burgeoning of wealth, health, security, and safety, education, democracy, equity, opportunity, and joy unsurpassed anywhere. Not a perfect country—not yet—but certainly near a pinnacle of comparative achievement in the history of this planet.

Over those three generations of men in my family, the conversation on cities has changed. My oldest son's first job after university was with the British Columbia government's municipal affairs branch, working on the fiscal arrangements between municipalities and the province. His brother wrote a paper on cities in his graduating year at McMaster University in Hamilton, Ontario. In his Public Administration classes at the University of Victoria, they talk about cities the way they talk about nations and provinces. The national conversation has begun to change, perhaps well after the country has changed. People have been far ahead of their governments in becoming urban. They've voted with their feet, their interests, and in many cases their hearts. Governments are just beginning to take note.