

Foreword

Alan Broadbent

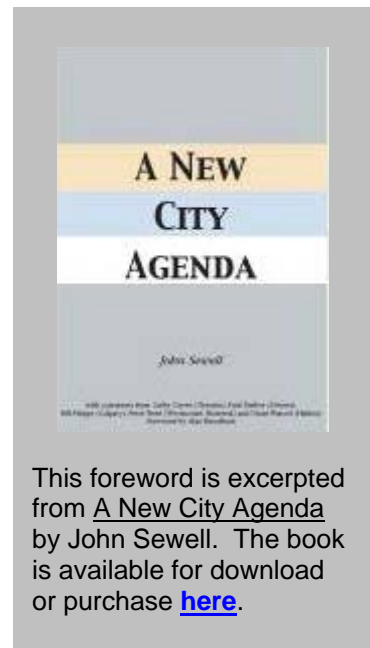
Canadians are increasingly coming to grips with the fact that their country has changed in the past century from rural to urban. Statistics tell much of the story: over 80 per cent of Canadians live in cities, more than 50 percent in the nine largest cities, and half of the economy is generated by our four large urban regions. Young Canadians are moving to the city for education and work, and most of them will never return to the countryside. Although rural Canada remains appealing, often beautiful, and a great place to live, it is losing population.

Many of our towns and small cities are also losing population. Only a handful of our largest urban regions are growing. Whether from desire or necessity, to attend school or find work, for love or acceptance, people are moving to Canada's biggest cities. And they are staying.

This dwindling is a problem. Across the breadth of the country, we have too few thriving cities. Outside of the large urban regions of Toronto, Montreal, and Vancouver, only a small number of cities are on the rise. Calgary is clearly prospering, and some of the government cities like Ottawa, Edmonton, Quebec City, and Halifax are holding their own. But broad expanses of Canada have very small cities struggling to make ends meet, dealing with very real problems, and waiting for financial aid from other levels of government. These cities, like their wealthier kin, often become the focal points for many of the issues of their regions, whether they are social problems or economic shortfalls.

While these smaller, struggling cities look for answers, they need not cast an envious eye at the larger, growing cities, for these places aren't much better off. It is an irony of Canada's constitutional arrangements that all cities are cast from the same legal and financial moulds. They are creatures of the provinces, and as such are severely limited in their authority. Almost all of them rely heavily on the property tax for revenues. (Canadian cities depend on property taxes for about 50 per cent of their budgets; in the U.S. it is about 15 per cent of budgets; in Europe it is about 5 per cent.) The property tax is an inflexible tax: property values do not vary much from year to year, and do not rise at the rate the economy does.

On the other hand, the provincial and federal governments rely on revenue from income and consumption taxes that reflect more accurately the growth of the economy. The former Winnipeg mayor Glen Murray used to put it best: if Winnipeg built a new convention centre, the other levels of government would benefit from the increased business in hotels and restaurants, and from the new jobs created, through sales and income taxes. Winnipeg itself would only get the property tax, which might have just replaced the property tax paid by



This foreword is excerpted from [A New City Agenda](#) by John Sewell. The book is available for download or purchase [here](#).

previous users of the property, but even that might have been bargained away in the competitive process to attract the new facility in the first place.

While Canadians have been quick to comprehend the centrality of cities in their lives, their governments have lagged far behind. Most governments have simply been ignorant of the trends and have happily downloaded obligations onto cities without attendant money to pay for them. In doing so they have balanced their own budgets but put the cities on the ropes. A few governments have been hostile to their cities, such as Ontario's Harris government, which added amalgamation into the mix and ignored the consequences.

Some governments in recent years have at least rhetorically recognized both the current plight of our cities and, more important, their critical role in national prosperity. The federal government of Paul Martin and the Ontario government of Dalton McGuinty have talked the talk, but it remains to be seen if they will walk the walk. Signs from the Martin government have not been encouraging, as they continue to behave in time-worn ways, a dodgy blend of political rainmaker and Lady Bountiful. They descend on the city prior to an election and dispense promises of money that cleave closer to their short-term political needs than to any plan developed by Toronto City Council and its planners. The federal government's record of honouring these promises in Toronto over the past ten years is shameful.

What the large urban regions need is not plans and manna from above, but more control of their own destiny. Cities don't need a federal or provincial government to solve their problems. They are tired of being "looked after," mainly because they now know it doesn't work. What they want is the tools to do the job themselves.

Those tools are money and powers. The money comes from the ability to levy a broad range of taxes, and not necessarily new ones. As the federal and provincial governments have downloaded obligations to the cities, they have kept the revenue that used to pay for the services. They should now hand over such revenue to the cities in the form of tax points from consumption taxes like the gas tax, the "sin" taxes, and income tax.

The powers come from agreements with the other levels of government to give cities the ability to develop their own policies and programs, and to implement them. There is not one size to fit all cities. Canada's three large city regions will have much greater powers than towns and villages. The second-tier cities will have less broad, but still substantial, powers. All will have a greater control of destiny than they now enjoy.

One of the real problems in making the transition to a new way of governing the country is that so few people have thought about it, particularly in the federal and provincial governments. While there has been much activity in those governments, and much hand wringing, most of it has been defensive. At the federal level, there has been a frantic cataloguing of all the impacts of federally run urban programs, as if that would somehow make government dysfunction and duplication disappear. But there have been precious few in that government who understand the new Canada facing them.

John Sewell does understand it. He has been thinking about cities for a long time, and has experienced governance dynamics between municipalities and the federal and provincial

levels of government intimately from many vantage points: as a Toronto city councillor, mayor of Toronto, provincial commissioner, writer, journalist, commentator, and activist.

In this book, Sewell forms an answer to the question that many have with concepts of municipal autonomy: How would it actually look? Like most good concepts, this one provokes thorny questions in its application. What programs would be delivered by the city? What would the role of the province be? The federal government? Who would protect minority rights? How would the money work? Where would the boundaries be? How would the internal governance of an urban region work, by a super government or many small governments negotiating issues? Why couldn't any city or town or hamlet get the authority and the money?

Sewell knows, of course, that moving to greater autonomy for our city regions will not be simple. And it will not likely happen all at once. But he expresses the possibility of making that transition by positing both what it might look like sector by sector, and making some creative suggestions as to how governance might work better.

Canada is full of constitutional experts, veterans of the patriation process of 1981, of the subsequent Meech Lake and Charlottetown efforts, and many other stops along the way. Their chief purpose, it seems, is to remind us from time to time why nothing can be done to bring our constitutional arrangements into line with our current and future challenges, as the internationally renowned urban planner Joe Berridge has put it. But in the modern world, it is powerful city regions that are the economic, social, and cultural engines of society, and failure to realize that, and to make the appropriate investments, is to hobble our nation.

In effect, the potential for Canadian cities to flourish is deadlocked by a Constitution that has bred unproductive federal-provincial wrangles and stand-offs, with cities disappearing in the dust. As Hugh Segal has said, the nation serves the Constitution, rather than the Constitution serving the nation. By articulating a new vision of governmental arrangements for Canada, John Sewell offers a way to break out of this deadlock.

Alan Broadbent is Chairman and CEO of Avana Capital Corporation. Avana has initiated and funded a number of civic engagement projects, including the convening of the mayors of Canada's five largest urban regions.

Source: Sewell, John. [A New City Agenda](#). (Zephyr Press: Toronto, 2004). Available online at: http://www.localgovernment.ca/show_library.cfm?id=130.