

## THE MINISTRY OF STATE FOR URBAN AFFAIRS: A MUNICIPAL PERSPECTIVE

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During the decade of the Seventies an attempt was made to identify responsibilities of the federal government for dealing with urban problems. Any such responsibilities would have to be exercised as part of a partnership with the provinces and municipalities. The Ministry of State for Urban Affairs (MSUA) was created to focus the federal effort, to inform federal policy making in urban matters, and to establish the forms of tri-level consultation which would permit the more effective marshalling of the resources of three levels of government towards common urban objectives.

The Ministry is widely considered to have failed. The most conclusive evidence is that its record of achievement impressed the federal cabinet so little that it did not last the decade. Yet the problems which gave rise to the establishment of the Ministry are not being solved in an alternative fashion. It thus behooves students of urban policy to consider whether we have understood the nature of the effort which was made, the rationale for it, the urgency of it, and what might be learned from the experience.

This article represents an attempt to survey one part of the picture, essentially from the municipal perspective. The focus here will be on the origins of the Ministry, the municipal needs and hopes which rode on its brief career, and some of the factors which made the exercise so difficult.

During the latter half of the Sixties the major problems worrying most urban municipal officials seemed to relate to the absence of adequate financial resources to match the expenditure responsibilities associated with rapid growth, central city decay, social tensions, and rising environmental concerns. Associated with these were the failure of the provincial and federal governments to take into

account the impact on municipalities of policy initiatives undertaken at those levels.

Being low man on the totem pole of constitutional power, the municipalities had to live with the decisions coming out of Ottawa and the provincial capitals. But they understood the interrelationship of such public policy fields as housing, welfare, public health, environment, and transportation. Through their land use planning and budgeting processes they saw how these urban problem areas come together in an annual focus on the conspicuous property tax rate.

While municipal officials were painfully aware that their powers were derived from provincial statutes under which authority was delegated from within the provincial jurisdiction, they also knew that urban problems did not fit easily into the neat categories established in 1867. So, while they maintained provincial associations to help strengthen their side of the primary relationship with the provinces, they also maintained the Canadian Federation of Mayors and Municipalities (CFMM)<sup>1</sup> to develop what they conceived to be a necessary relationship with Ottawa.

Since the Second World War there had been an increasing number and variety of federal-provincial conferences and meetings. On numerous occasions the municipalities sought a voice at the table. For instance, in 1967 Prime Minister Pearson convened a conference on housing and urban affairs. The CFMM sought the right to be represented in view of the relevance of the subject for local government. Mr. Pearson advised that he had no objection provided all ten provinces agreed. Since such agreement was not forthcoming, no invitation was extended. Some provinces did invite municipal persons to join their respective provincial delegations either as advisers or observers. For example, Nova Scotia took the President of the Union of Nova Scotia Municipalities in such a capacity. Ironically, he was the warden of a rural county whose housing and urban concerns were far from pressing [9:72].

The product of that conference was the establishment of the Intergovernmental Committee on Urban and Regional Research. The new body was a federal-provincial mechanism for exchanging largely confidential research information among the eleven governments. That organization's development eventually helped to destroy the Canadian Council on Urban and Regional Research in which the eleven governments had been joined earlier by the CFMM, academics, and others. The work of the latter body was entirely in the public domain.

In the late sixties the governing party secured new leadership in

<sup>1</sup>Now the Federation of Canadian Municipalities at 1318-112 Kent Street, Ottawa, K1P 5O2.

Mr. Trudeau and set about refurbishing its image in line with the perceived needs of the times and the impact that urbanization had had on the distribution of parliamentary seats. The Americans were passing through an epidemic of urban riots, city dwellers in Canada were becoming more vocal and edgy, and citizens generally were awakening to the alarm of environmental destruction. The time was ripe for new initiatives.

The federal government would subsidize and participate in a first national conference on urban transportation sponsored by the CFMM in early 1969. It had done the same for a conference on housing sponsored by the Canadian Council on Social Development (then called the Canadian Welfare Council) in 1968. Its Central Mortgage and Housing Corporation had been working directly with cities on urban planning, renewal, housing, and trunk sewer systems for two decades.

The election of 1968 saw evidence of the new urban flavour of Liberal policy proposals, with the Minister Responsible for Housing taking a higher profile. On June 3, 1969, Mr. Trudeau appeared unexpectedly before the opening session of the annual CFMM conference being held that year in Ottawa [7:9-12].

The Prime Minister noted that the Fathers of Confederation could not be blamed "for not foreseeing the rapid growth in the number and size of our cities, and in the complexity of running them." He went on to say:

*Parce que nous sommes membres d'une société industrielle et urbaine, nous exigeons plus de nos gouvernements que ne le ferait une communauté rurale. Si nous voulons vivre dans un milieu sain, beau, agréable, et où l'air et l'eau, en particulier, soient exempts de pollution, il nous faut une planification et une réglementation publiques très poussées. Nous nous reposons sur les gouvernements pour obtenir toutes sortes de services récréatifs, comme les parcs, les stades, les bibliothèques, les théâtres, les musées. Nous avons besoin de service publics et de systèmes de transport élaborés. Nous voulons des logements qui soient bien conçus et qui puissent être construits et entretenus à un coût raisonnable. Un régime d'éducation bien adapté à l'époque moderne, devient une nécessité dont le défraiement ne peut être qu'onéreux.*

No single level of government can be expected to satisfy all these demands. There always have been and there will always be, many aspects of urban development which are best left to local initiative, to local reference and to exclusive local control. Others may best be handled on a regional basis by the provincial government. Still others are necessarily a matter of concern to the Parliament of Canada.

And this interpenetration of responsibilities is not always easy for voters to understand, or for the three levels of government to administer. But you cannot solve a problem by simply ignoring the existence and interests of one or another level of government; nor can you solve it by passing the buck upwards or downwards.

The Prime Minister invited the CFMM to prepare its recommendations in response to the question, "Do the enormously increased responsibilities and financial requirements of municipalities call for any change in the Constitution?" And then in a statement little noted at the time he said, "We are working on improvements in the organization of federal departments which will enable us to play a more effective role in urban development . . ."

Later that day Mr. Andras, the Federal Minister Responsible for Housing, commented to the conference that "I perceive no constitutional problem which by the intrinsic nature of our system would seriously inhibit joint federal-provincial-municipal planning" [7:45-47].

The CFMM's formal response to the Trudeau invitation was to establish the Joint Municipal Committee on Intergovernmental Relations (JMCIR), eventually composed of representatives of all the municipal associations in Canada. Its task was to prepare a brief on constitutional change and to demand a place at the table where constitutional talks take place. The committee was keen to take up its work and it engaged Ron Burns of the Intergovernmental Affairs Institute (Queens University) as its secretary and adviser.

The JMCIR soon came to the conclusion that the path of constitutional change would turn out to be a blind alley. It reasoned that unless all ten provinces agreed, there could be no change which increased the role, status, power or resources of municipalities through the constitution. Such an increase would have to come at the expense of the exclusive provincial jurisdiction, and provincial consent would be impossible to secure.

Instead, the committee decided to seek a preliminary consultation with the ten provinces jointly to see what might be attempted with consent. The forum would be the annual meeting of the ten ministers of municipal affairs which would next be held in August, 1970. The ministers had previously refused such a consultation, but this time the JMCIR, representative as it was of all the provincial associations and with the leadership of the CFMM, would systematically lobby each provincial minister.

Before the August meeting, the annual conference of the CFMM came round again (Halifax, June 8-11, 1970). At that meeting opposition leaders Bob Stanfield and David Lewis made their views known [8].

Among Stanfield's words to the CFMM were these:

Local and provincial governments must receive enough money to make urban policy work . . . The Federal Government must assume an active and positive role, helping to set standards, encouraging research, coordinating programs and insuring adequate resources . . . The Federal Government does have power to act within the constitution, if it has the will . . . I believe we need a Department of

Urban Affairs in Ottawa. I don't see it as a big new bureaucracy. Rather its purpose would be to coordinate those functions already performed by the federal government, and to help the provinces and municipalities be more effective in their planning and budgeting . . . The three levels of government must be brought together to make a concerted search for Canadian solutions to the diverse needs of our communities [8:9-10].

For the NDP David Lewis endorsed "a much wider tax base . . . a system of regional government . . . a (federal) ministry of urban affairs . . ." Of the ministry he said he did not "see it as a major contribution to the solution of urban problems if it is not accompanied by a totally new dimension in the urban role and in urban participation . . . Urban government, preferably at the regional level, must have the opportunity of direct participation in all discussions and plans affecting urban life - I reject the notion that the constitution makes this impossible" [8:39-41].

For the government, Bob Andras made a major statement [8:161-66]. He called for "a forum for Federal-Provincial-Municipal consultation on urban matters - all together - with the municipalities and the Federal Government having a legitimate, recognized place at the table with the provinces . . ." The purpose would be to discuss objectives, priorities, policies, responsibilities and "allocation of resources in the urban context."

Mr. Andras said he would "seek the views of the provinces as to whether they will be agreeable to the establishment of a formal framework - structure - perhaps an urban council in which the political representatives, supported by officials of all three levels of government, can meet and discuss urban policies regularly." He had, he said, already received the "enthusiastic agreement and endorsement of this principle on behalf of the Government of the Province of Quebec" from Mr. Tessier, the Quebec Minister of Municipal Affairs, who had sat next to him at the CFMM's head table. The next day Premier Bourassa denied that his province had agreed.

The CFMM delegates were so pleased with Mr. Andras' enthusiasm for a process the CFMM had long sought that they may not have appreciated the full import of some other remarks, such as the following:

There has to be consideration of institutional - of structural response to the interdepartmental coordination requirement of both Provincial and Federal Governments.

In passing - let me say that one of the major complications in institutional policy response is that all levels of government are organized vertically. Each department of ministry concerns itself with particular functions - transportation, housing, public works, etc. But our modern urbanized society does not organize itself into these neat categories. The fundamental aspect of all modern activities is that they are interdependent - individuals depend on each other to

an ever-increasing degree. Their growing level of interaction transmits impulses throughout the community, and indeed the nation.

As a result, while the particular form of government we have may not be well-suited to deal with problems of community - the most obvious ones being urban, and this is true of nearly all industrialized societies - the seemingly simple answer of "form a Department of Urban Affairs" is not really that simple.

First, would it be a super-ministry in terms of veto authority over others? Obviously this could become a monster and would defeat its own purpose. Would it be a coordinating and research ministry?

And how would it do this?

Would it better be done by full Cabinet - or a Cabinet - and/or with an interdepartmental committee?

In a sense Mr. Andras' speech indicated two tracks in the development of political and administrative institutions for the pursuit of the federal government's urban policy initiatives. He was clear about what he wanted as a consultative process with the provincial and municipal governments. He was clear also about the problem when discussing "interdepartmental coordination." In the ensuing months and years work would proceed along both tracks.

The JMCIR met with the ten ministers of municipal affairs in Winnipeg in August of 1970. The municipal delegation presented a comprehensive brief which had been drafted by Ron Burns and approved by the member associations [12]. The brief concluded with a two-fold demand - independent participation in talks related to constitutional change and independent participation in talks among the three levels of government with respect to shared responsibilities under present constitutional arrangements.

The provincial ministers rejected separate municipal participation in constitutional talks but reluctantly agreed that planning should proceed for a national tri-level conference. The ministers were annoyed by the failure of Mr. Andras to consult them on his evolving plans as he had promised in June. They were resistant to engaging in anything called an urban council when their own responsibilities also included rural municipalities.

When the executive of the CFMM met in Montreal at the end of September, 1970, its executive director, Claude Langlois, informed the meeting that the Speech from the Throne, due in ten days, would include an announcement about the form of internal federal organization for urban affairs. He indicated there was still some indecision as between a department and a cabinet coordinating committee and that municipal views expressed immediately might still influence the outcome.

The CFMM executive was aware of provincial sensitivity, particularly in Quebec, to new federal institutions which might appear to invade provincial jurisdiction. The timing and location of its meeting

had been designed to provide the opportunity to consult especially with the Union of Quebec Municipalities which was meeting in the same hotel. Consultation did occur and the two organizations agreed on a common position. It was expressed in a CFMM press statement of October 1, 1970, as follows:

There is a recognized need for co-ordination of the Federal role in urban matters. In the present circumstances, the CFMM supports the idea of a Federal Cabinet Committee headed by a minister who is assigned a co-ordinating role.

In view of the Federal nature of Canada, and the primary relationship of municipalities with their respective provincial governments, it is important that the specifics of the Federal role be the subject of a conference of the three levels of government as soon as the required consultation and planning can be completed.

Until such a conference is held, and a permanent form of tri-level institution is agreed upon, a Federal Cabinet Committee co-ordinating Federal urban policies is essential [6].

On October 8, the Speech from the Throne indicated that the federal government had chosen a new instrument to be called the Ministry of State for Urban Affairs and Housing.

In its October 1st statement, the CFMM had politely reminded the minister of his commitment to consult on the proposed urban council. The statement read:

We urge the Minister to complete his discussions with the Provinces which he indicated would be undertaken prior to setting up the Council or any similar new institutional framework [6].

The municipalities were proceeding with due sensitivity for the provincial perspective, but for some reason the federal authorities were not.

In April of 1971 representatives of the three levels of government met in Winnipeg as a planning committee to prepare for a national tri-level consultation [4]. The federal and provincial ministers agreed that the principle of tri-level consultation should be subject to approval at a First Ministers Conference.

The reluctant provinces also insisted on establishing a federal-provincial committee to "examine the emerging relationship between the proposed Ministry of State for Urban Affairs and Housing and the provincial governments." Secondly, a three-member committee representing the three levels of government would continue planning for a possible tri-level consultation.

In June Parliament gave its consideration to the proclamation establishing the Ministry of State for Urban Affairs. Mr. Andras, the minister-designate, described the Ministry thus:

*It is not a department. It will not have any program delivery capability. It is an innovative attempt to sharply split the twin functions of policy*

making and program administration. It strongly argues against the concept that policy emerges only from those entrusted with its administration. It holds to the concept that objective policy development across a broad range of activities and authorities can emerge when unfettered by the vested interests that grow from administering programs. It is purposely named Urban Affairs and not urban affairs and housing or transport or land management, because its policy mandate is unrestricted and as wide as possible while its direct operational role is non-existent.

The Ministry's role will be *coordinative* between federal policies and their departments. It will be *supportive* to all relevant federal programs and projects on behalf of comprehensive urban policy. It will be *consultative* with the provinces and their municipalities in achieving an integrated approach to solving urban problems that none of the three areas of jurisdiction can solve on their own.

Mr. Andras went on to say that:

A new atmosphere prevails in urban affairs, tenuous and fragile perhaps, but in our discussions with the provinces, an order of political leadership seeks reason and new forms of collaboration [1].

If there was a new atmosphere, it certainly was tenuous and fragile. For the provinces were being dragged, largely against their will, by a combination of federal and municipal pressures (and divisions among themselves) into a recognition of urban policy and relative municipal autonomy they would have preferred to avoid. The tradition of rural focus in provincial legislatures had left an urban policy vacuum into which new federal and municipal leadership was moving in what undoubtedly appeared to the provinces as a kind of pincers movement.

The committees appointed in April in Winnipeg were to report at the Municipal Affairs Ministers Conference in Victoria in August. The tri-level planning committee was ready with its report on agenda and representation for a tri-level conference in early 1972 [18]. The provincial ministers refused to confirm the arrangements because (a) not all first ministers had yet approved and (b) they had a need for prior discussion with Mr. Andras on the "implications of the Order-in-Council which established the new Ministry of State for Urban Affairs . . ." [14;19].

It was clear that the provincial ministers were not pleased with Mr. Andras and the federal government. The question of tri-level talks would end up on the agenda of the first ministers' conference in November. The secretary of MSUA, Mr. Oberlander, asked the writer if the municipalities could approach any of the premiers for their support. I undertook to write the three Maritime premiers and those of Saskatchewan and Manitoba who were NDP acquaintances. All but Hatfield of New Brunswick responded and did so favourably. That information was made available to the federal

government. At the first ministers' conference Mr. Trudeau secured consent from all but Quebec and said the tri-level talks would thus proceed with or without Quebec. The formal statement released said:

The impact of Federal policies and programs on individual cities and on general urban patterns in Canada was recognized; the coordinating role of the Ministry of State for Urban Affairs was discussed. It was agreed that there must be close cooperation between the Federal and Provincial Governments towards the effective coordination of their relevant urban policies and programs: . . . the involvement, if any, of the Municipal Governments in the coordination mechanism was discussed and it was agreed that the determination of such involvement must rest with each provincial government. It was thus concluded that ongoing discussion to finalize the exact elements of the consultation mechanism should go forward and be expedited [11].

In May of 1972 final arrangements for a national tri-level conference were announced. It would be held in November in Toronto. The provinces were locked in, or so it seemed.

The premiers met in Halifax in August. They sounded the alarm over "any encroachment on their constitutional rights to administer urban and municipal affairs" [17]. They ordered their municipal affairs ministers to prepare a common provincial position paper for the tri-level talks which would defend the provincial jurisdiction.

When the tri-level conference was held, the provinces endeavoured to defeat the federal government's primary goal, stated by Urban Affairs Minister Basford [2], of establishing national tri-level talks as a continuing intergovernmental mechanism [16]. The agenda for the first conference had been limited to these three items:

*Session 1:* A review of the problems and challenges facing all three levels of government in the transition of Canada from a rural to an urban society.

*Session 2:* The role of the three levels of government in meeting with problems and challenges identified in Session 1, with particular emphasis on the role of local government.

*Session 3:* The design of effective machinery for intergovernmental co-operation and consultation in meeting the problems and challenges identified above [13;15].

In the end, extensive lobbying of provincial delegations, particularly by advisers whose common membership in the Canadian Council on Urban and Regional Research provided a ready communications network, found its mark. A second such conference would be held in Edmonton in 1973.

The municipal delegation at the conference had been well-disciplined and was ably led by Des Newman, mayor of Whitby and CFMM president. It was also prepared with well-researched position papers, thanks to a subsidy from MSUA. Certain cracks in the provincial solidarity showed up in other position papers prepared for Manitoba and the Maritime Provinces with MSUA aid.

Before the second conference could be held the annual CFMM conference in Charlottetown gave evidence of infighting among municipal spokesmen over leadership and internal administration. This resulted in changes in both political and administrative leadership, followed by budgetary cutbacks.

Nonetheless, the second tri-level conference in 1973 produced a highly satisfactory result for the municipalities. The momentum of the process had brought a decision to appoint a tri-level task force on public finance. The report of the task force would go to the next national tri-level conference in 1974 and to the federal and provincial ministers of finance. In the discussions at Edmonton Mr. Basford was on the defensive, since he had no authority to speak for the federal minister of finance.

The task force report [10] was not available until April, 1976. By that time the ministers of finance were otherwise occupied. A weakened municipal lobby had relaxed its pressure on provincial ministers and they in turn simply refused to attend a third conference.

The steam had also gone out of MSUA. The Ministry had been given responsibility for the United Nations Conference on Human Settlement known as Habitat and held in Vancouver in 1976. The Ministry piggy-backed onto its Habitat role a new Canadian program called the Canadian Urban Demonstration Program, to cost \$100 million over five years.

These funds were to be leverage funds by which the ministry would influence the budget priorities of other federal ministers and agencies as well as those of provinces and municipalities. Here the ministry was moving out of its mandate for research, federal urban policy coordination, and intergovernmental consultation to become more than operational. Its muscle would lever expenditures from much larger budgets in operating departments.

It was a tremendous gamble and it failed. The treasury board refused to authorize staff and turned back the leverage principle on the grounds that rules prevented more than one federal agency from spending money on the same project. Municipalities had submitted more than one hundred applications; an advisory committee was in place to act as a jury; but there was no capacity to process the applications. Federal budgetary constraints provided a convenient excuse to cancel the program.

This may well have been the point at which the ministry ceased to become "established" and began its downhill slide to oblivion. The provinces saw the program as a clear-cut raid on their jurisdiction. The municipalities saw their potential Ottawa ally becoming powerless and helpless.

MSUA was a compromise structure [3:242]. Without having access to the political and mandarin power that go with large operating budgets, it was to coordinate federal policy *and* deal effectively with other governments in areas of *their* jurisdiction. Neither could be easy. Both called for the steady building of relationships of trust. But the Ministry neither had the strength at the cabinet table nor the experience and prestige among the mandarins to establish itself with the capacity to deliver on its promise. The rhetoric of successive ministers led the municipalities into unrealistic expectations and gave colour to provincial fears of intrusion in their jurisdiction.<sup>2</sup>

The internal weakness was so great that the appropriate relationships with other levels of government could not be established. Failure to consult adequately, in time and in an open fashion with the provinces may well have resulted from the uncertain place the Ministry held within the federal government.

The central purpose of the Ministry was seen by the municipalities to be federal help for them in finding the resources to deal with urban problems. From the federal government's viewpoint the central purpose was to provide a vehicle for two kinds of coordination - that among three levels of government and that within the federal government. Coordination of federal government policies from an urban perspective required the information which would come from the Ministry's research program *and* from intergovernmental consultation. But the latter source required the credibility of the Ministry based on evidence that it *could* coordinate policy within the federal government. Since that evidence was not forthcoming, MSUA never did get out of the chicken and egg dilemma.

The climate was probably much more "tenuous and fragile" than either Mr. Andras or the municipal leaders had realized. If they had, they might have nursed the relationship with the provinces with more care and perseverance. In that event, all three government levels might have achieved more of their respective goals.

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