Guest Editorial

Parliament and Democracy in the 21st Century: A Place at the Table for Cities

Cities are hives of tremendous activity – they are buzzing, creative centres where immigrants come to prosper, where our souls are lifted by the arts, where new neighbourhoods grow. Did those who drafted our first laws – making cities creatures of their provinces – know how we would evolve? Did they ever imagine that we would need to move several million people around this city every day, through a combination of public transit and cars, subway lines and roads? Did they ever imagine that Toronto would be home to such an intense, wonderful diversity of inhabitants? Likely not. And while many of the tools they created serve us well, we have outgrown others. Just as the city does not look the same as it did when Toronto was born, neither does the country.

We are an urban nation today – a country where the bulk of the population lives in large urban centres. And we are continuously moving in that direction, not away from it.

Cities are the wealth of our nation. The strategic value of cities to Canada is illustrated by looking at the distribution of GDP.

Cities finance this country. As our large urban centres go, so goes the country. The demands on cities are more complex than ever before, and yet our powers and our revenue sources have not evolved in a parallel way. We need the funding, the legislative tools, and the autonomy to be able to deal with the opportunities and challenges that come with that growth.

In my view, cities need the full powers of government, like those of a province. We need revenues from taxes that grow with the economy, because these are the only taxes that can support all of the responsibilities that modern cities have.

I do not think it is an exaggeration to say that the absence of adequate investment in our cities - in everything from public transit, to affordable housing, to childcare, to infrastructure – is reaching a crisis point.

For the past few decades, the federal and provincial governments have steadily been withdrawing from or reducing their commitment to a number of policy fields that have a profound impact on cities. Let me give some examples.

The combination of lack of investment in social housing by the other orders of government and cuts in welfare rates correlate statistically with observable increases in homelessness. There is a direct impact on the demand for municipal services, from hostels to policing.

The complete withdrawal of the previous Ontario government from transit and urban transportation shifted responsibility to the municipal level.

Even where there has not been a formal transfer of responsibility to the municipal level, cities like Toronto, just by virtue of our size, are being drawn into responsibilities vacated by the federal and provincial governments.

This is not inherently problematic; but it is practically so if we do not have the powers and revenue sources we need to assume increased responsibilities.

Our only source of taxation is the property tax. We tax land. Good times or bad, the amount of land does not change. And in mature, almost fully built-out cities like Toronto, the ability to generate additional revenue is severely constrained.

Federal and provincial governments tax income and consumption, both of which increase during periods of economic growth. Another key difference: the federal and provincial governments can cut taxes without necessarily cutting spending. At the city level, tax cuts lead directly to service reductions.

Let me note the comparison to the United States where the federal government is heavily involved into urban transit and renewal. Compared to U.S. cities, Toronto is at about a $600 million a year disadvantage in improving its future economic competitiveness.

American cities have access to a wider range of revenue sources than Toronto, including gasoline, sales and income taxes in some instances. As a result, they rely on property taxes for less than one-fifth of their revenue. By comparison, property tax accounts for almost half of Toronto's revenue.

In the February 2004 Throne Speech, Paul Martin acknowledged that "the new deal means that city hall has a real seat at the table of national change." I, and mayors from hub cities across the country, were very encouraged by that. Allow me to layout for you what a seat at the table might look like from my perspective.

In the broadest sense, it is about mutual respect, and it is about good government. It is also essentially free. It does not cost the senior orders of government a cent to bring cities to the table as full partners in areas where there is overlapping jurisdiction.

In order to manage resources wisely and govern effectively in the public interest, different levels of government must work together and talk to each other. Having a real seat at the table is a necessary precondition for doing this. This will provide public officials with the time, means, and opportunity to share information and resources.

In so doing, it will allow governments to develop policy and programs and budgets that meet the same priorities – those of the people of Toronto. Good planning and co-ordination, in turn, is what allows governments to "spend for impact."

A seat at the table – a true relationship among equal partners – would provide a forum in which to exchange information and, more significantly, would help build a "culture of communication" between governments.

Some years ago, the Federal government adopted a new immigration policy that significantly increased the number of highly skilled, well-educated immigrants entering Canada. Yet little effort was made to ensure that these individuals would be able to access the labour market in their respective areas of expertise. Provincial regulatory and licensing bodies – for engineers, doctors, etc. – were simply not ready, willing, or able to accommodate the aspirations and needs of a significant influx of foreign trained professionals.

If Toronto had been "at the table," we would have been in a position to share our staff's expertise and the expertise of Toronto's extensive network of community-based immigrant service providers with the federal and provincial governments. The disconnect between implementing a federal policy that opens the door to skilled immigrants without corresponding changes to provincial regulatory, licensing and credential assessment practice, would have been detected and corrected earlier.

The national tragedy that sees thousands of skilled immigrants unable to find jobs in their area of expertise could have been avoided – or addressed far more quickly and effectively – if Toronto had had a seat at the table.

So, as the next step in achieving a new deal, I will be looking to the Prime Minister and Premier, effective immediately, to include Toronto officials in major policy, program, and budget deliberations on issues that have a significant impact on the City. We can start with the areas of public transit, affordable housing, immigration and settlement, childcare, and infrastructure.

A seat at the table will have the benefit of making it more difficult for governments to point the finger at each other when things go wrong or fail to go right. Canadians can then more easily hold governments accountable and, in turn, help to close the democratic deficit that threatens confidence in public institutions.

David Miller is Mayor of Toronto. This is a revised version of a Speech to the Empire Club on May 11, 2004.