



HOW BIG SHOULD CITY GOVERNMENTS BE?

TWO MAYORS RESPOND

To discuss the question of how large city governments should be, the editor of Policy Options talked by telephone with David Rusk and John Sewell, who have both experienced what it is like to be mayor of a growing municipality. David Rusk was mayor of Albuquerque, New Mexico, and John Sewell, mayor of Toronto. Mr. Rusk is well-known for his concept of the "elastic city," which grows to encompass its region. Mr. Sewell has been an active critic of Toronto's mega-city merger. William Watson talked to them in July. An edited transcript of their conversation follows.

Pour discuter de l'ampleur à donner aux gouvernements municipaux, Options politiques s'est entretenu au téléphone avec David Rusk et John Sewell, respectivement anciens maires des villes d'Albuquerque (Nouveau-Mexique) et de Toronto, qui ont tous deux expérimenté au cours de leur mandat ce que c'est que d'élire maire d'une ville en expansion. David Rusk est l'auteur bien connu du concept des « villes élastiques », appelées à étendre leur territoire jusqu'à en glober toute leur région. John Sewell s'est illustré en s'opposant à la méga-fusion de sa ville. Nous transcrivons ici leur conversation de juillet dernier avec notre rédacteur en chef William Watson.

William Watson: David Rusk, you have been Mayor of Albuquerque and have written extensively on city government. How big do you think city governments should be?

David Rusk: Well, I think that's not putting the question in the most important way. The basic issue that faces any urban region is: what gets built, where, for whose benefit? And in that context the region is, in effect, the real city, the real civilization. It's the labor market and the cultural unit, typically. And, in that context, the planning of the region's growth—its land-use planning, its basic transportation infrastructure, its core utilities, water, sewer, obviously, which are often publicly controlled in this country, or telephone, electricity, which are privately controlled typically—all this should really be undertaken within a structure that reflects the entire region. You can practically count on the fingers of one hand the regions of the United States that have an effective, region-wide planning organization in place. We have a lot of governments that are quasi-regional governments—municipalities that through their exercise of their annexation powers tend to

dominate the region. That certainly was true of Albuquerque, which grew from three square miles to 150 square miles in size in a 50-year period, and accounted for 85 per cent of the population growth and 90 per cent of all the new tax base created in the region. In effect the unitary municipal government of Albuquerque was the regional body. But, in the Albuquerque area, as in so many areas of our country, outward growth, or urban sprawl, has proceeded at an even greater pace, and now, the Albuquerque area is not a single county metropolitan area, but a tri-county metropolitan area. And the City of Albuquerque has to deal with many more local governments than it used to in order to try to shape some sort of effective regional plan.

I had the opportunity of speaking at a conference in what turned out to be the last days of the Metro-Toronto organization, at a time (in 1996) when amalgamation had been proposed by the Conservative provincial government. I said: Look, if you amalgamate the Metro organization, the City of Toronto and the five boroughs, into one unitary government, you have in effect

created one quite large, American-style central city. But the real issue is not that. The real issue is: what is the relationship of that central organization to all of the growth occurring around it? If you're going to bring to the Greater Toronto Area the benefits that Metro-Toronto brought to the Toronto area at an earlier stage in its history, you have to have some truly effective regional mechanism that covers the whole GTA for things that must be done on a larger scale. And I gather that that hasn't happened and is unlikely to happen. So what you now have is in effect a big American central city, healthier than virtually all of our central cities, which is still faced with the challenge of "what do we do about the GTA?"

William Watson: But which also possesses the powers to handle all these problems over a rather large area, albeit not the entire city area.

David Rusk: Large, yes and no. I can name off the top of my head a dozen American cities that have more territory than the amalgamated Toronto's 240 square miles.

William Watson: What you recommend is some sort of mechanism for

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coordinating what's going on within the region as a region.

David Rusk: That's right.

William Watson: And a single municipal government of that entire region is one option?

David Rusk: Not one that I would propose.

William Watson: Do you have a preference for one of the possible options over all the others?

David Rusk: Well, I wouldn't wish upon anybody the bureaucratic techniques and labor relations that were perfected by New York City. And so I think one needs to do regionally those things that cannot be done effectively through a variety of local governments, and one then needs to look at the scale. But the things that are important regionally are: regional land use, transportation and power. In providing basic utility infrastructure, a wide taxing jurisdiction is able to draw upon the whole regional tax base for financing the bulk of local government services. And the question of social housing is also very important, as well as how it is distributed—hopefully fairly evenly—throughout the region. That can be done by a metropolitan government or at the provincial or state level, though that rarely happens in this country. Those are the kinds of questions that are the real regional issues. Fire protection, cutting the grass in the parks, and running local libraries and the like are very appropriate for much smaller scale organizations.

William Watson: John Sewell, what's your general view?

John Sewell: I don't think you can say in the abstract how large a city government should be. There are a

couple of things that you have to think about when you're trying to figure out whether a government is a reasonable size.

One obviously is historical. It's extraordinarily important to try and strengthen political mechanisms that help people stay involved and in touch with political representatives and governments. And if you've got a structure that, in fact, does hook people in, you're going to have to live with that in some way or another. One of the great mistakes that's happened in both Ontario and Quebec is that provincial governments have moved very quickly to wipe out all those historical links. From the provincial standpoints, they weren't mistakes—it was done deliberately. They wanted to get rid of those links: they see them as a problem.

A second consideration is that for any urban area a number of different kinds of government structure are required. The big distinction in urban areas is between local issues and regional issues. If you look at a given issue locally, you see it in a different way than if you were looking at it regionally. Maybe you need two layers of government: one to deal with the local issues and the other to deal with the regional issues. That would be a two-tiered style of government...

William Watson: Which would give us four tiers in total in Canada.

John Sewell: It might give you four tiers but that's OK with me. I don't think there should be just one tier. If another tier is doing something that's useful, you might as well have it. Having both local and regional perspectives on issues is extraordinarily important. I personally believe that Toronto's success from the 1950s until the amalgamation, was because it had two levels, two tiers. That did mean that local issues and regional issues were fighting, but they were doing so in public, so people could see what the fights were about and actually make some choices, rather than try to gulp it all down and say: it's all the same. It's *not* all the same. Regional and local perspectives are different.

What you might find is that some issues you can deal with quite well at a regional level. The thought often is that some of the hard services can be dealt with quite well at a regional level—a wholesale level as it used to be said about Toronto. Thus the metropolitan level of government delivered water wholesale and then the local municipalities would deliver it retail. The local municipalities would collect garbage and sewage locally and deliver it to a regional carrier to process it. So a different size of government is required for dealing with different issues.

The point is that I don't think it's an easy question about how large the city government should be. It depends what kinds of things it's doing. I do agree that powers are extraordinarily important, and that cities, at least in Canada, have very narrow powers. In fact, in most provinces, powers are actually being taken away from cities, they are not being given to cities. In Ontario, cities have fewer powers now than they've ever had in their whole history, since the 1840s.

William Watson: Is that something that you observe in the US as well, David? Are powers moving away from cities?

David Rusk: The US and Canadian constitutions are very similar, in that the national constitution makes no mention whatsoever of local government. Power is reserved to our state governments. I don't know whether it's by omission or by direct statement, but I understand that all powers with regard to local governments are similarly reserved to your provincial parliaments in Canada.

Rusk In the United States, almost anywhere you go, you will find state legislators saying, "Oh, I'm very much committed to home rule." They're always committed to home rule, except when they really aren't!

In the United States, almost anywhere you go, you will find state legislators saying, "Oh, I'm very much committed to home rule." They're always committed to home rule, except when they really aren't! And whenever they aren't is when they've got a burr under their saddle or an itch that needs scratching. And then they legislate. They mandate what local governments will do. Similarly, virtually in every state, all powers of municipal taxation have to be expressly authorized by our state governments.

But I don't think that one could say that there is a general movement across America, as Mayor Sewell has said is occurring in Canada, to remove local government powers and prerogatives. I would say it has pretty much stayed where it is, in every field but education. Increasingly, state legislatures are both assuming more responsibility for financing local public school districts, and are establishing various tests and other forms of accountability—getting more prescriptive about curricula, for instance—than was true in earlier decades.

John Sewell: I might say that this is not a general trend across Canada. It's mainly in Ontario that municipalities literally have been stripped of powers. For instance, we've lost use of the property tax system. The provincial government now controls 75-80 per cent of the property tax and determines who gets the benefits from it. That's a very substantial change. It used to be, just five or six years ago, that municipalities had 100 per cent control over property taxes. No longer. In British Columbia, it's expected that the newly-elected Campbell government is going to give significantly increased powers to municipalities. Maybe, as David says, there has been an intrusion in terms of control over education. There certainly has been no general devolution of powers to municipalities.

William Watson: You often hear discussions of how globalization is going to cause one thing or another. And some people talk about "glocaliza-

tion," where cities and regions will have greater powers, national governments will lose them, and international governments, or at least authorities, will gain power. But you don't actually see any trend in that direction?

John Sewell: Well, certainly in Canada, municipalities are weaker and not stronger. I was just reading a recent report by Statistics Canada about the financial health of the federal, provincial and municipal levels. The provincial and federal levels are awash in surpluses, and have been for the last three or four years. The last two years, for the first time ever, have seen municipal governments in a deficit position in Canada. Municipalities are in much worse shape financially, not better shape. So talk about globalization, about cities becoming more powerful, that's all talk.

David Rusk: I would agree with that. In fact, I agree with virtually everything Mayor Sewell has said. I think that because of the broader basis of commercial and financial ties of major private sector institutions on a regional basis, regions are emerging as more of a competitive unit in the economy, and there's a diminution of national or state roles. It's particularly striking, of course, in the European Union where, more and more, one needs to look on the government of the Netherlands, let's say, not as a national government but as a state government, like New Jersey, in the context of the continent of nations. I don't think that portends any strengthening of municipal government powers, however.

John Sewell: I guess I'd put what I think you're saying in a slightly different way—that the economies of nations depend, as Jane Jacobs has said, on the engines of the cities. It's the urban areas that are the driving forces of the economy. And yet those urban areas do not have the power to govern themselves. They're controlled by state and national governments, whose interests are often very hostile to those cities. The amalgamation trend that has been happening in

Sewell If you looked at all the tax revenue generated within the big city of Toronto—the amalgamated city of Toronto—and you put it against the amounts that the provincial and federal governments spend in Toronto, we're short (and this in 1998 dollars) about four billion dollars a year.

Canada is clearly an expression of that. Provincial governments are so hostile towards the regions that are producing all the wealth that they decide to actually destroy their governments—and, while they're doing that, steal their money. Those figures I was just mentioning from StatsCan are a perfect example of that. The tax revenues that are produced are produced in the urban regions. So while these cities' system of government is being destroyed, their revenue is being sucked away from them by these other levels of government that are incapable of creating an economy that is going to support them. They have to turn to the urban areas.

William Watson: So you have taxation without representation.

John Sewell: The figures in Toronto are pretty interesting. The last study we had was using 1998 figures. And it said that if you looked at all the tax revenue generated within the big city of Toronto—the amalgamated city of Toronto—and you put it against the amounts that the provincial and federal governments spend in Toronto, we're short (and this in 1998 dollars) about four billion dollars a year. In other words, we generate a tax surplus to the provincial and federal governments of four billion dollars a year. Now, move that forward three years, and it's probably more like seven or eight billion dollars a year in tax revenue that we're generating. They're stealing four or five thousand dollars per capita per year. That's what we're

actually giving to them that they're spending in other places. It's our money, yet we don't have any control over it, and we've got homeless people on the street.

William Watson: David, you mentioned the need to have a wide taxing jurisdiction within a region. As someone who lives in a suburb, my view of an amalgamation is that it's an attempt by a central-city government to do to my suburb what John says the provincial government is doing to his city. Does the desire to have a wide taxing jurisdiction arise from a desire to redistribute from the richer suburbs to the perhaps not so rich inner city?

David Rusk: Yes. The only locally focussed system of regional tax sharing that we have in this country, involving many, many local governments, is in the Minneapolis-St. Paul metropolitan area. Under the terms of a state law, the seven county governments, the 188 municipal governments, some 60 independent school boards, and 40 other tax jurisdictions, must all pool 40 per cent of the growth in the property tax value every year into a regional pool. It's then redistributed according to a formula that reduces fiscal disparities. And unquestionably, that systematically transfers money from typically wealthier suburbs to less wealthy communities—although, interestingly, a place like the city of Minneapolis jumps from one side of the ledger to the other, depending on how its downtown office market is doing. But that's the only such significant system in our country.

There are state governments which, like your provincial governments, do similar equalization. And in a state like Wisconsin aid to local government has a significant redistributive effect for the benefit of the poorer communities.

John Sewell: Metropolitan or regional governments operating on a property tax base can have the same redistributive function. Certainly, that was the case with the metropolitan level here in Toronto. A lot of revenue that was generated in the downtown

because of the big office buildings was in effect pushed out into suburban communities. It worked perfectly well. Now when we lost control of the property tax base—the province grabbed it and took it away—we obviously lost the ability to do that. But I don't think urban areas have a significant problem about sharing taxes. You need mechanisms to try and figure out how they're going to work, and they should be arrived at after some discussion, but my impression is that you can reach agreement on how you're going to do that fairly easily, on an urban basis—though, David, you've got a lot more experience than I have, because we've been sheltered on this since in Canada

Sewell Part of the problem is that schemes are always being advanced where what's going to happen is: "We're going to grab some money here to do something somewhere else that you don't have any say over."

we have structures that allow this to happen all the time.

David Rusk: In the last decade, there certainly has been a growing movement in the United States by which voters in the multiple jurisdictions in a region have approved of special additional taxes for special purposes. In both the Denver area and the Pittsburgh area, for example, voters have approved region-wide taxes to support the kinds of athletic and cultural facilities that previously were supported entirely by the central municipal government for the benefit of the whole region, but which the city of Denver and the city of Pittsburgh can no longer afford to do on their own. And the citizens approved an area-wide tax to maintain that.

So I think you're right that there is some willingness to recognize that we're all in it together, but there is

often an absence of mechanisms for accomplishing that sharing. That's one of the huge benefits of what I call "elastic cities": the Albuquerquees, and the Houstones, the San Diegos and the like. They are cities that are constantly expanding and bringing their own suburbs into the city. And in effect they are subregional internal revenue-sharing mechanisms, taxing wealthy neighborhoods to offer services for poorer neighborhoods.

William Watson: How much of that is voluntary?

David Rusk: Oh, nobody ever pays a tax voluntarily.

William Watson: No, but how many people voluntarily join in that sharing? Do you have to annex these places to get them to belong to Albuquerque?

David Rusk: That's right, that's what happens with elastic cities. Or they consolidate the city with a county, as occurred in Indianapolis or Jacksonville, Florida.

John Sewell: You know, people don't like being taxed where they don't get to say exactly how those taxes might be used. And part of the problem is that schemes are always being advanced where that's going to happen: "We're going to grab some money here to do something somewhere else that you don't have any say over." If in fact you can create some kind of a say that people are going to have, then they're going to have some understanding. The problem we've got in Toronto is that we don't have any mechanisms to do that on a regional basis. David, you mentioned this right at the beginning of your remarks. We don't have a regional taxing base or policy base. And if we tried to put one in place without the other, I think we'd be in great trouble.

William Watson: If you start off with a small locality that is doing its own taxing and spending, people there have great control over where their money goes. But somebody comes along, takes the money and says, "we're going to give you a voice and power to spend." What would be

the mechanism for that?

John Sewell: The Commission on Planning and Development Reform that I chaired in the early nineties actually made the recommendation that that's the role the province should play. There is, right now, a regional mechanism in place: it's called the provincial government. Unfortunately, it won't assume that role. It just says: we don't believe in regional planning, we don't believe in regional discussions—we don't believe in regions, I guess.

How would the province do it? It would be easy for the province to do it. It can lay down some general principles about how things should happen: the transportation plan, the housing plan, all those kind of things. The money is being used at the moment, through sales tax and income tax to meet those needs. Now, since the province doesn't want to distribute it to meet those needs, I'd say give both the policy power and the taxing power to the regional level so it can start to address those issues.

William Watson: But the individual citizen who used to be able to go down the street to a small, local town hall and say, "Gee, you know, I don't really think we should mow the grass that often, or we should mow the grass more often," how is his or her voice increased when the province or regional government runs things?

David Rusk: You know, most things that affect that individual citizen go far beyond the boundaries of that little community. And even the issues that affect that citizen's quality of life usually involve a lot more than how much money will be spent mowing the lawn in the park, and with what frequency. We work and we live our lives largely as members of regional communities. You may live in one jurisdiction, work in another, go for major medical services in a third, go to major cultural events in a fourth, and then do your shopping in a big regional mall in a fifth community. And so how that region develops—the shape, the nature, the health of its economy—is

extremely important. What we certainly lack in the United States, in areas that have many local jurisdictions, and what it appears you lack in the Greater Toronto area, is a mechanism by which citizens can act as regional citizens on these big questions. There is one place in the United States where, in a democratic fashion, citizens can in fact act as regional citizens, in a multi-jurisdiction community, and that's the Portland, Oregon area. They have a regional government that is directly elected by the citizens, and is charged by the citizens, as well as by the state legislature, with ultimate responsibility for regional land use and transportation planning.

Rusk We didn't annex little towns and villages. We were annexing raw land that was owned by people that wanted to develop the land, generally in accordance with a comprehensive city plan... It wasn't a matter of annexing existing communities.

John Sewell: How can citizens have any say? There are all sorts of mechanisms that can be set up that allow people to have a say. This is not rocket science. At municipal levels, there are requirements that you hold public meetings before you make land use decisions, for example. There are usually procedures for lots of community meetings so that people can be pulled in. And in the past, when we actually had a metro-wide framework, we had ways in which people could plug in to those regional decisions as well. We could easily establish mechanisms that allow people to find out what's going on and then have input.

I might say that at the provincial level here in Ontario the province now generally refuses to have public hearings on any legislation. It's extraordinarily rare that you are allowed, as a

citizen, to actually make a presentation on any legislation. It's getting that way at the federal level, as well. So we're managing to close down those mechanisms that allow people to have input. But they aren't hard, they're really easy, they're simple. And if we needed to make things more complex, it would be easy to do it. There are lots of people around who know how to engage the public and try to figure out what they want to say, and work out interesting and innovative solutions. So that's not the problem. That's an easy problem to solve. There's no will to do it at the moment.

William Watson: David, how was it done in Albuquerque, as Albuquerque grew and annexed little towns and villages?

David Rusk: We didn't annex little towns and villages. We were annexing raw land that was owned by people that wanted to develop the land, generally in accordance with a comprehensive city plan. One, it was to their advantage to be annexed by the city, because that would mean the extension of city services, most notably water and sewer. In the high, arid desert, you don't just dig a hole in the ground and come up with water for a new subdivision. You'd really better be part of a municipal production system. But, two, they had to join us, because the city of Albuquerque had the power to veto the incorporation of any new public body, not just a new municipality but a new public water and sewer district, within five miles of its boundaries. So the city was always annexing growth at the initiative of those who owned the land. It wasn't a matter of annexing existing communities, and indeed the settled areas of the valley, around the Rio Grande, that lay outside the initial boundaries of the city of Albuquerque have pretty much remained that way for the last 50 years. The same is the case with many of the cities in the South and the West that actively annexed. They are annexing areas before they develop. Or they are annexing areas that have recently been developed, but were

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developed with the knowledge that they were going to be annexed by the city. Such as occurs in Charlotte, North Carolina, for example.

William Watson: Do you have any instances in the US of what happened in Toronto and is happening in Montreal, where you have well established localities that are effectively being annexed?

David Rusk: No, though as I understand it, at various times in the history of Toronto, the city of Toronto, back in the 1950s, annexed a couple of small municipalities when Metro itself was formed.

John Sewell: In fact, the city annexed small municipalities, small growth areas, ever since the beginning of the 20th century. And then once the metropolitan level was formed, a number of different cities joined together into the former city of Toronto. But those things can only happen after there has been a lot of discussion. The way we got regional government in Toronto was a bit fortuitous. It came about because a number of outlying areas said "We don't want to be annexed." You can't force annexation. It's as crazy an idea as amalgamation.

David Rusk: If I may, as an outsider, offer a possibly very ignorant observation: when the Thatcher government came to power, in Britain, they dissolved the Greater London Council (GLC) and for all intents and purposes broke up that region into 30 or so smaller municipalities. From the point of view of the orderly planning and development and delivering services

in the greater London area, that was a significant step backward. It made sense only from the point of view of the Tory government's political agenda, which was to break up the GLC, which had been a power base of the Labour party for so many years. Now that Labour is back in power, a version of the GLC has come back into being.

I'm a staunch member of our Democratic party—I must confess my bias—but in many respects, what I saw in the mid-1990's, up in Ontario, looked to me like a similar kind of political coup. The notion was, on the one hand, as Mayor Sewell said, "Let's amalgamate what had been Metro-Toronto, the city and the five boroughs, but by all means let's not mess with all the rest of the GTA, which is our party's political power base." So the fact that there's been no effort to, or no success in creating a mechanism that effectively deals with the future of the entire GTA, aside from the coordination and delivery of subsidized transit services, is no surprise. It doesn't fit the political requirements of the party in power in Queen's Park.

Just to get back to the original point about how the central question always facing our regions is what gets built where, for whose benefit. The United States has had a long, sad history in our racial relations—although progress certainly has been made, particularly in the last three decades—but even as barriers or residential segregation based entirely on race come down, barriers based on income are going up, and in 70 per cent of America's 300-plus metropolitan areas, the level of economic segregation has been increasing. That pattern is both created and reinforced when you have a region that is broken up into many independent municipalities—because what ought to be one regional society gets divided up by race and ethnic groups, and particularly by income, into all these little boxes. And fiscal disparities amongst local governments and concentrations of poverty within municipalities and certain local districts become more and more severe. That's the real challenge that's on the regional agenda in

America. That's the issue that so many political leaders, and many citizens as well, don't want to confront.

John Sewell: It's a very multifaceted issue. I don't think there is just one change you can make that will start to address it. It takes you back into that question of how big an urban government should be. It depends on a whole bunch of things: powers and so forth, and taxing abilities.

William Watson: What about the argument—I speak with an economist's bias—that it's good to have competition among relatively small municipalities because it gives people greater choice?

John Sewell: That's very true. The question is: how small should they be? Should you be allowed to have a very, very small municipality that's there trying to protect itself from everything that's around it? Probably not.

David Rusk: Let me take a somewhat contrary view. I think that, certainly from a social perspective, it's not true. That economic theory is often described as the "public choice" model, as if you could somehow elaborate a public policy equivalent of the free-market economy on the private side. The notion is that each municipality puts together a different package of taxes and services, and people as economic animals choose amongst them, and that somehow maximizes public welfare. If that worked, then those municipalities that were losing out would somehow slash their taxes and improve their services and the competitive gaps would narrow over time. But that doesn't happen. The gaps get wider and wider and wider. And it's largely because society isn't dividing itself up in terms of taxes and services, it's dividing itself up in terms of economic class, with a heavy racial and ethnic overlay to that. And so the gaps widen over time.

John Sewell: That's why I say that the answer to this question depends on a whole bunch of factors. If you have very progressive taxes and social programs, then in fact municipalities aren't going to differ that much in terms of class and income. To take the

example of Toronto, the whole of the Toronto area is fairly well mixed racially. It's not as though you're going to find certain cultural and racial groups in one area rather than another. They're generally spread around. I think that's because we've had social programs that everybody has been able to take advantage of.

David Rusk: And my perception is that one of the keys is that where social housing is built is largely controlled at levels above the individual municipality level, and most typically at the provincial level, although I guess there have been occasions when the Metro-Toronto organization played some role in it.

John Sewell: And the funding was mostly federal funding, which meant that anybody could provoke an application to try and get something done. But the merit of having a number of different municipalities is that you have a number of different staff people, and sure enough, if you've got different staff people, they're going to think of doing things in different ways. And some of them are going to come up with some really smart ideas that they can actually implement. In a place like Toronto, now, with a giant civil service of just over 50,000, it all comes down to a couple of people at the top. If you can't sell them on the change in the program, it doesn't happen. And that, in my opinion, is a major inefficiency. It's why I want to

get back to having more municipalities so we have opportunities of doing things in six or seven different ways. You can actually look around and say, "Boy, that's a really smart thing: I wish I'd thought of it. Think I'll steal it!" But we don't have that opportunity anymore here.

Rusk Society isn't dividing itself up in terms of taxes and services, it's dividing itself up in terms of economic class, with a heavy racial and ethnic overlay to that. And so the gaps widen over time.

William Watson: David, in your model, how does that type of experimentation take place?

David Rusk: Well, I'll come back to my original remarks, that the things that need to be done regionally are things like overall land use and transportation planning, probably the provision of major utility infrastructure, drawing upon a broad tax base for the financing of local government, and social housing policy—the extent of it, its financing and its location. These are things that should also be done on a broad regional basis. But the delivery of many daily services can be done at different levels of scale, even at very

small levels of scale, depending upon what makes sense. The regional body has got to have that democratic link, as Mayor Sewell was saying: it's got to be accountable to the people of the regions. But in their role as regional citizens, not in their role as consumers.

John Sewell: I agree with what you're saying, David, that you've got to have those big regional programs. But if you have a bunch of local governments, then that's where you're going to get the innovations, in terms of the way you deliver certain kinds of services. And that's really what's required. Surely the problem with having one big government is the problem with having one big phone company. It tends to go to sleep.

David Rusk: I haven't argued for one big government.

John Sewell: No, no, I realize that.

David Rusk: All I'm saying is that even on those issues about which I spoke, you don't have to have that regional body implement everything.

John Sewell: Exactly.

David Rusk: But it has to be laying down consistent and fair rules of the game for all the local governments.

John Sewell: I agree.

David Rusk: That's the key.

John Sewell: Yes, that's the key, I agree.

William Watson: I think that's a good place to stop. Let me thank you both very much for doing this.

Canada's city Montreal's peculiar appeal springs in large measure from the fact that all of Canada's major ethnic, linguistic, religious and cultural groups are substantially represented there. More than any other Canadian city Montreal represents Canada's ideal of "the mosaic," a country where all people can retain their culture, their language, and their religion, while remaining loyal and enthusiastic Canadians. Toronto and Vancouver do not compare well in this respect because, despite their cultural and ethnic diversity, these cities do not adequately reflect "le fait français."

While the present Quebec government wishes to extend the use of French in business and education, no one expects Montreal's half million anglophones to speak French to each other in their homes, their churches, and their clubs. Moreover, Montreal was once predominantly English-speaking, while no large city outside of Quebec was ever predominantly French. Historically, Montreal has been the gateway to Canada—from Jacques Cartier's arrival until the recent opening of Toronto's international airport to transatlantic flights—but it is more than that. It is the

synapse of Canadian society and the Canadian economy, a nerve centre which both responds to economic and social change and which transmits change to the rest of the country. In these respects, it is the most "Canadian" of Canadian cities.

The story of Montreal is more thoroughly meshed with the history of Canada than that of any other city since Jacques Cartier found the Indian settlement of Hochelaga on the site of the present city of Montreal in 1535.

Benjamin HIGGINS, 1986