Differing Approaches to Municipal Restructuring in Montreal and Toronto: From the Pichette Report to the Greater Toronto Services Board

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During the 1990s the provincial governments of both Quebec and Ontario established task forces to recommend new arrangements for the governance of their largest metropolitan areas, Montreal and Toronto respectively. The task forces (Pichette and Golden) faced remarkably similar political environments and arrived at similar conclusions. Despite the fact that the Montreal task force was appointed earlier and reported earlier, its impact appears to have been minimal. Meanwhile, Toronto has experienced an explosive debate about the creation through amalgamation of the “megacity”, in part because such a course of action was not contemplated by the Toronto task force. With much less publicity, the Ontario government has since proceeded to establish the Greater Toronto Services Board (GT SB), the first municipal institution in Canada that transcends and includes two-tier municipalities. Just as the GTSB is beginning to function, debates about metropolitan governance in Montreal have begun anew.

This paper briefly describes the historical background to governance arrangements in the two urban regions, explores in some detail the similarities in the work of the two task forces, and attempts to explain why the outcomes appear to have been so different. Some scholars have already tried to show how theory relating to urban political economy applies to the organisational changes in Toronto (Keil 1998; Isin 1998; Todd 1998; Horak 1999), but they have not attempted to explain how it accounts for the lack of change in Montreal. One of the additional objectives of this paper is to evaluate the relevance of this theory in explaining recent developments in the two metropolitan areas.
Governmental Arrangements Prior to Pichette and Golden

Until 1914 and 1920 respectively, urban growth in Toronto and Montreal was typically accompanied by regular annexations of suburban municipalities to the central city. The process stopped in both places because the central cities could no longer afford to absorb the debts of their bankrupt suburban neighbours. In 1921 the provincial government of Quebec established the Montreal Metropolitan Commission, Canada’s first example of a two-tier metropolitan form of urban government. The main initial function of the commission was to share defaulted suburban debts among more financially stable municipalities and to supervise future suburban borrowing (Sancton 1985).

Despite ambitious proposals for various new forms of metropolitan government in Montreal, the commission had not evolved much beyond its original structures and functions when Ontario established the Municipality of Metropolitan Toronto (Metro) in 1953 as a two-tier system embracing thirteen local municipalities. In 1969, the Quebec government created the Montreal Urban Community (MUC), but this metropolitan institution was functionally weak in comparison to Metro (Figure 1). More importantly perhaps, the original 29 member municipalities of the MUC were never consolidated, except that one, Pointe-aux-Trembles, was annexed by the city of Montreal in 1982. Within Metro, however, the thirteen original members were reduced to six as a result of provincial legislation approved in 1966. The council of the MUC has always comprised the suburban mayors and all council members from the City of Montreal. In 1988, the Ontario government introduced a system of direct election for Metro’s council. These were some of the reasons why throughout the period from 1953 to 1992, there was a belief within some municipal circles in Montreal that Toronto’s governmental structures were more advanced.

There was, however, an important sense in which both systems failed to adapt to changing circumstances. The initial external boundaries of both Metro and the MUC never changed, despite the fact that most metropolitan growth was taking place outside their original territories and that both organisations were supposed to be engaged in “metropolitan planning”. In both Toronto and Montreal, new two-tier municipal-government systems were established in the suburban territories beyond Metro and the MUC. By 1996, Metro contained only 51.5% of the population of what the Ontario government defined as the Greater Toronto Area (GTA); the percentage for the MUC in relation to Montreal’s federally-defined Census Metropolitan Area was 53.4% (Table 1). There was much concern in both cities that uncontrolled suburban development was costly, inequitable, damaging to the environment, and inimical to the interests of the central city. Contrary to the normal pattern of events since 1953, it was the government of Quebec that acted first.
### Table 1: Population (1996) and Percentage Growth Rates (1991-96), Montreal and Toronto

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<th>Montreal</th>
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<th>Toronto</th>
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<td></td>
<td>GTA</td>
<td>CMA</td>
<td>Metro/new</td>
<td>old city</td>
<td>GTA</td>
<td>CMA</td>
</tr>
<tr>
<td>population (millions)</td>
<td>4.629</td>
<td>4.26</td>
<td>2.385</td>
<td>0.778</td>
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<td>1.776</td>
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<td>growth rate</td>
<td>9.3</td>
<td>9.4</td>
<td>4.8</td>
<td>8.1</td>
<td>3.7</td>
<td>0</td>
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Note: GTA = Greater Toronto Area, the territory of the Greater Toronto Services Board; CMA = Census Metropolitan Area as defined by Statistics Canada; Metro/new = Municipality of Metro Toronto, pre-1998, city of Toronto, post-1998; old city = city of Toronto, pre-1998, and MUC = Montreal Urban Community.

Source: Statistics Canada, *1996 Census of Canada*
The Pichette and Golden Reports

In April 1992, Quebec’s Liberal minister of municipal affairs, Claude Ryan, appointed a twelve-member Task Force on Montreal and its Region chaired by Claude Pichette, the director-general of the Institut Armand-Frappier, a microbiology and biotechnology research centre. None of the members was associated with municipal governments in the area, although one, Robert Cournoyer, was an assistant deputy minister in the Ministry of Municipal Affairs. The task force reported in December 1993. Less than a year later, before any action had been taken, the Liberals had been replaced in government by the Parti québécois.

The task force recommended the creation of a new 21-member council for the Montreal Metropolitan Region, the territory of which would cover the entire Census Metropolitan Area. The task force claimed that such a council was needed so as to be able to take regional action with respect to: planning and development, economic development, the environment, culture and the arts, transportation, and public safety.

“The Metropolitan council will be made up of exclusively of municipal councillors. The choice is based on the need to achieve the best possible harmony between regional and local issues. The [task force] therefore has decided upon an indirect method of representation which gives the mayors and municipal councillors the main responsibility to oversee the metropolitan organization” (Québec 1993:17).

Most of the council members were to be mayors of constituent municipalities chosen by regional groups of mayors but, because they are so populous, the cities of Montreal, Laval, and Longueuil, were to be directly represented by both their mayors and by some members of their councils. Existing upper-tier authorities within the region, including the Montreal Urban Community, were to be transformed into “intermunicipal service agencies” and were expected to be of less importance than both the municipalities and the Montreal Metropolitan Region.

Given that there were 102 municipalities within the region, some found it surprising that the task force placed relatively little emphasis on municipal mergers. Its report stated that, “Although merging municipalities had been considered as a solution..., it would not be a satisfactory one” because the priority need was for “a coordinated and coherent framework at the metropolitan level”. Although the report suggested that mergers were needed in the future to reduce “problems of unity and partnership”, it never suggested a minimum municipal size (Québec 1993).

In February 1994, the Toronto-based Canadian Urban Institute held a one-day conference with a title that would have been scarcely imaginable during the previous fifty years: “The Future of Greater Montreal: Lessons for the Greater Toronto Area?” In introducing the conference, Don Stevenson, a former senior Ontario public servant, stated:
“While there are some major differences between Greater Montreal and Greater Toronto, there are far more similarities than many of us might think. The publishing of ... the “Pichette Report” ... is one of those occasions where we here can profitably learn. The report is already gathering international acclaim. Last week I was talking to the head of the Urban Studies Program at the University of Wisconsin [Marc V. Levine], who is following the Montreal situation very closely. He told me that he, and most of his colleagues in urban affairs in the United States, had always envied Canada’s ability to deal with governance and overall management of its metropolitan regions. He said that, for its first 20 years of existence, he had viewed Metropolitan Toronto as the great model in North America for governing the metropolitan area. But he left me with the impression that if the Greater Montreal task force report ... were to be implemented, then Montreal would become the new model for creative governance of metropolitan regions in North America” (Stevenson 1994: 2).

In April 1995, the New Democratic Party (NDP) government in Ontario appointed Anne Golden, president of the United Way of Greater Toronto, as chair of a five-person Task Force on Greater Toronto. A few months later, when the Harris conservatives unexpectedly took office, the new premier shortened the task force’s mandate, insisting that it report by January 1996. Its conclusions were remarkably similar to those of the Pichette report. A new metropolitan authority was needed that would include Metro’s territory and that of the surrounding regions of Halton, Peel, York, and Durham; its members would be indirectly elected; some services (e.g. policing) would still best be provided by inter-municipal bodies covering the territories of the existing upper-tier units that would otherwise be abolished; municipal mergers, though potentially desirable, were not an immediate priority (Ontario 1996).

What can explain this remarkable convergence? The simplest explanation is that they both had similar terms of reference. Unlike other recent investigatory commissions or task forces, they had both been given a mandate covering the entire metropolitan area. That either of them would have recommended against establishing any kind of new area-wide institution was highly unlikely. Such a recommendation would have implied there was no need for the task force in the first place. So the question becomes: why did the governments of Quebec and Ontario act in such similar fashions? One possible explanation has to do with globalisation. For example, Graham Todd claims, in respect to the Golden report, that, had it been implemented, “a consistent theoretical tale might have been told of state restructuring as a response to the need for global competitiveness”. (Todd 1998: 201). Presumably, exactly the same point could have been made about the Pichette report for Montreal.

There is no shortage of claims around the world -- including the United States -- that city-regions need new forms of territorially comprehensive institutions to help advance their competitive position in the global marketplace (Peirce 1993; Sancton 1994; Dodge 1996). Perhaps because of such market discipline, it is
unlikely that a central government can afford to establish expensive new regulatory institutions between themselves and municipalities. This explains why both the Pichette and Golden reports emphasized that their proposed new institutions would not resemble existing metropolitan governments. They would not be providing many -- or any -- services themselves. They would be facilitators, arrangers, brokers, promoters, and strategic planners. They would steer, not row. In short, they would represent all the apparent virtues of the “new public management” (Hood 1991). To the extent that such an approach to the changing role of government in society is a product of globalisation, then much of the content of the Pichette and Golden reports can also be attributed to global influences.

**Provincial and Municipal Responses**

The fate of both the Pichette and Golden reports was in the hands of governments that did not appoint them: the Parizeau government in Quebec and the Harris government in Ontario. Both reports were generally supported by municipalities within the boundaries of Metro and the MUC and opposed by municipalities outside. This was a serious problem, because both the Parizeau péquistes and the Harris conservatives were stronger in such outer suburbs than they were in more central municipalities. The Golden report was also criticized strongly, but largely behind the scenes, by politicians and senior staff within Metro who felt that the GTA authority recommended by Golden was too weak, both functionally and politically (due to the absence of direct elections to the GTA council).

For anyone familiar with the extensive literature about the politics of metropolitan reorganisation (Harrigan 1993), there were no surprises in such alignments -- except that there is nothing in the American literature about the politics of extending the boundaries of an existing two-tier governmental system because so few two-tier systems have ever existed, let alone expanded. Perhaps the best parallel is the process by which the British conservative government in 1963 transformed the old London County Council into the Greater London Council by extending the boundaries of the former while reducing its functions (Smallwood 1965). Once again, for anyone familiar with this particular story, there is nothing unusual about how the various interests responded in Montreal and Toronto. The main difference was that the central cities of Montreal and Toronto played a much stronger political role than the tiny antique relic known as the City of London.

The respective responses of the governments of Quebec and Ontario to the political forces unleashed by the two reports were wildly different. The Parizeau government appointed a ministre de la Métropole who was charged with bringing order and coherence to the province’s activities in Montreal, in addition to developing a response to the Pichette proposals. Eventually, the minister, Serge Ménard, introduced legislation (approved in mid-1997) establishing a 40-member Commission de développement pour la métropole (CDM). It was to be presided over by the minister. Of the remaining 39 members, two-thirds were to be elected munici-
pal politicians (half from within the territory of the MUC and half from other municipalities outside the MUC but still within the Census Metropolitan Area) and the other one-third were to be appointed by the minister from among representative socio-economic groups. The CDM was to have advisory functions only, especially in relation to issues concerning economic development, planning, transportation, and the environment. All existing municipal organisations -- including the MUC -- were to remain in place, although the CDM itself was supposed to make recommendations for the streamlining of this remarkably cumbersome set of municipal structures (Trépanier 1998).

In January 1998, a new ministre de la Métropole, Robert Perreault, announced that the implementation of the CDM would be suspended because there was too much discord relating to the Quebec government’s downloading of fiscal responsibilities to local municipalities, too much concern about the City of Montreal’s fiscal problems, and too much local opposition. Inner suburban mayors were particularly upset that the CDM would have no decision-making authority and would therefore not affect the operation of the MUC. Mr. Perreault felt that in such an adverse environment it would be impossible for the CDM to address effectively the major regional issues. Even Montreal’s mayor, Pierre Bourque, originally a supporter of the CDM, agreed with the minister that it was best not to proceed. Until mid-1999 at least, the net effect of the Pichette report on governmental arrangements for Montreal has been nil.

The provincial response to the Golden report in Toronto was much more dramatic and much better known (which is why it is treated so cursorily here). In late 1996, Al Leach, the Ontario minister of Municipal Affairs, announced that the constituent units of the Municipality of Metropolitan Toronto -- thirteen municipalities had been consolidated into six in 1966 -- would be amalgamated into one new City of Toronto (Ibbotson 1997; Friskin 1998). Such a course of action was not called for by the Common Sense Revolution, the document that had propelled the Harris conservatives to electoral victory in 1995. Nor was it a recommendation of the Golden task force. Despite massive opposition, the megacity became a reality on 1 January 1998.

A year later, as a result of legislation approved in late 1998, the Greater Toronto Services Board (GTSB) came into being. Unlike the CDM in Montreal, the GTSB is already functioning. It has a 40-person board, comprising at least one member from each constituent municipality (but eleven from the new City of Toronto and two from suburban Mississauga) as well as the four chairs of the remaining regional municipalities. The regional chair of the adjacent Hamilton-Wentworth municipality is a member for commuter-transit (GO Transit) purposes. There is a system of weighted voting so as to promote representation by population. By-laws to establish GTA strategies require a two-thirds majority in order to be approved.

Mr. Leach claims that the GTSB “will not be another level of government. It has no service delivery responsibilities other than overseeing the operation of GO Transit, and it has no direct taxing authority”. (Ontario, Debates of the Legislative Assembly, 25 November 1998). In fact, however, the board has the authority to
collect funds from the City of Toronto and the four regional municipalities in exactly the same way that individual regional municipalities collect funds from their local constituent units.

On 22 January 1999, the Greater Toronto Services Board met for the first time. By a vote of 87 to 32, the forty members chose Alan Tonks, the last chair of the Municipality of Metropolitan Toronto as their first chair. All eleven representatives from the City of Toronto supported Mr. Tonks. His first task is to prepare a budget, including a provision for his own annual salary, and to develop a “coordination” strategy. In accepting his position, Mr. Tonks was quoted as saying: “We are a community. But even if we have the technical capability to identify shared problems and develop solutions, implementation will only be possible if we build the civic capacity to mobilize and focus our resources” (The Globe and Mail, 23 January 1999).

Explaining Provincial Behaviour

It is unlikely that anyone attending the 1994 conference sponsored by the Canadian Urban Institute comparing Montreal and Toronto would have predicted that five years later Toronto would have experienced such extensive change in its municipal structures and Montreal would have experienced nothing. There are three key questions to ask:

- Why did the Ontario government implement the megacity,
- Why did it go ahead with the GTSB, and
- Why has the Quebec government, so far at least, done nothing?

There is no existing theory or body of literature that is at all helpful in explaining why the Harris government introduced the megacity. There are no precedents for a market-oriented (neo-liberal) central government using its legislative authority to over-ride local referendum results so as to create one large municipal government when once there were a number of federated smaller ones. There are two kinds of possible explanations for the government’s peculiar behaviour. The first relates to the special circumstances of Ontario government and politics in 1996-97. During the 1995 election campaign, conservative leader Mike Harris stated that “the Metro regional government in its current form must go”. (The Toronto Star, 4 April 1995). At that time, he undoubtedly envisioned a solution closer to what the Golden task force was eventually to recommend. The problem was that some services then delivered at the Metro level (notably policing and social services) did not seem suitable for transferring to a new GTA-level authority. Golden’s solution to this problem -- establishing new “flexible service districts” -- seemed unduly messy for a government committed to simplifying governmental structures. This seemingly technical problem could be eliminated by abolishing the local municipalities instead of abolishing Metro, and that is exactly
what the Harris government did.

Another complementary explanation is that the Harris government saw amalgamation as a means to reduce the political power of its left-leaning political adversaries within the council of the old City of Toronto. Martin Horak (1999) has aptly and effectively described this process as one in which the provincial government caused a shift in the composition in the local governing regime. Such a description vividly connects the amalgamation debate to a prevalent framework for the analysis of non-partisan urban political systems (Stone 1989). However, proponents of regime theory in the United States never contemplated that a local political regime could be toppled by an ordinary statute passed by a state legislature. Whatever we might want to say about local regimes in Canadian cities, they are clearly not as powerful as their American equivalents. This is one of the more crucial and obvious lessons Canadian political scientists must learn from the megacity’s creation.

Ironically, the regime in power in the City of Montreal (however it might be described) favours exactly the kind of amalgamation within the MUC that the old City of Toronto rejected for Metro in 1996 and 1997. Montreal’s current position is the same as Jean Drapeau’s was in the 1960s, and as the City of Toronto’s was from the early 1950s until the late 1960s. In both Montreal and Toronto during these specified time periods, central-city politicians calculated that they would be able to maintain the existing central-city regime because of the dominant ratio of the size of the central-city population to that of the targeted suburban municipalities. Central-city politicians also coveted the relatively healthy suburban tax bases. In 1996 and 1997, components of the governing regime within the old City of Toronto rightly calculated that they could not survive amalgamation and that residents of the old city would likely be losers in any complete sharing of Metro’s total property-tax base. According to Horak’s regime-theory analysis, these are exactly the reasons why the Harris government ended up favouring amalgamation and implementing the megacity.

The above analysis suggests that the Harris government was very much motivated by its own political interests. However, because so much of the government’s core electoral support was located in suburban areas of the GTA outside the megacity and because many such residents were completely opposed to an institutional link to the problems of the central city, we might have expected the government to have resisted demands for any kind of new GTA authority. Some will argue that the GTSB is so weak that the government did in fact cave in to its outer suburban supporters. The explanation which seems to best fit the facts is that the government’s desire to insure that the GTA remain internationally competitive was tempered by its desire not to alienate its core political support. The result was the kind of compromise that has always characterised politics in a liberal representative democracy (Kantor 1988).

How can we explain the fact that no structural changes have yet occurred within metropolitan Montreal’s system of municipal government? If global forces are at work here, why should Montreal be different than Toronto? A simple answer to these questions is that what has not happened in Montreal corresponds exactly
to North American norms. It is Toronto that is the outsider among major North American cities, in respect to the creation of both the megacity and the GTSB. It is Toronto that is the special case. But there are major institutional differences between Canada and the United States that may well cause the forces of globalisation to have different effects on the organisation of municipal government in each of the two countries. Let us assume that what has happened in Toronto can be explained in part, by the relatively strong Canadian convention (outside British Columbia at least) that provincial legislatures can do what they want with respect to municipal structures. If this is correct, why then has there been no structural change in Montreal?

Answering such a question cannot avoid reference to the fact that the Parizeau government in 1994-95 was concerned above all with preparations for the referendum on sovereignty. Re-organising metropolitan Montreal was not a high priority in the same way that “eliminating waste and duplication” was a priority for the newly-elected Harris government. By the time the Bouchard government dealt with the issue, it was entering a pre-election period. The fact that it ultimately chose not to make any changes in such a period is hardly surprising, especially since local agreement on the need for a CDM in Montreal was much less apparent than local agreement in Toronto on the need for a GTSB.

**The Bédard Report**

In late 1998, the Bouchard government was re-elected in Quebec. It now appears to be in a very similar position as the Harris government was when it was first elected in Ontario. The municipal organisation of the Montreal area is open for discussion. This became dramatically apparent in April 1999 when the Bouchard government received the report of the Commission nationale sur les finances et la fiscalité locales. This nine-person commission -- appointed one year previous in the aftermath of intense municipal opposition to fiscal downloading -- was chaired by Denis Bédard, a former senior Quebec civil servant. The vice-chair was Jean-Pierre Collin, a professor at l’Institut nationale la recherche scientifique (Urbanisation) and a prominent academic authority on urban issues in Montreal.

The Bédard report is a remarkable document. The commission’s mandate was to study municipal fiscal issues throughout Quebec and to pay special attention to the particular problems of the most populous municipality, the City of Montreal. Although municipal structures and functions were not explicitly mentioned in the terms of reference, the commission decided that, given the breadth of the fiscal mandate, such matters could not be avoided (Québec 1999). The result was that the commission arrived at some startling recommendations. One was that education (primary and secondary), health (including hospitals), and personal social services should come under the direct control of restructured municipal institutions.

The Bédard report contains 346 pages of description and analysis; thirteen of them (Québec 1999: 182-188, 273-278) relate directly to municipal structures in
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the Montreal metropolitan region, although dozens of others are concerned with related Quebec-wide concerns about fragmentation and inequity. The report explicitly accepts the diagnosis of Montreal’s problems contained in the Pichette report, but makes no reference whatever to its prescriptions (or to the prescriptions of any other document, such as the Golden report). In its recommendations, the commission devotes only a few paragraphs to metropolitan Montreal. It urges that the government force amalgamations in the area so as to reduce the number of municipalities from 111 to about twenty and in the MUC from 29 to five at the most (Québec 1999: 277). The commission also recommends that a new level of government be established for the entire metropolitan area. This new government would be allocated “revenus autonomes” and its governing body would be directly elected.

The commission’s willingness to accept a new directly-elected metropolitan level of government is in contrast with the approach taken in both the Golden and Pichette reports. Another difference is that the Bédard report recommended that the existing metropolitan police force be dismantled and become the responsibility of the newly-amalgamated lower-tier municipalities. The Bédard report was similarly alone in suggesting that the new metropolitan authority eventually become responsible for public education and for the health-care system.

Not surprisingly, there are few people who have publicly supported the report’s overall approach. Mario Dumont, leader of the Action démocratique party and a supporter of municipal mergers, has argued that, because the commission made no claim that implementation of its recommendations would reduce costs, it is difficult to take its approach seriously (The Montreal Gazette, 24 April 1999). On the other hand, Vera Danyluk, the chair of the MUC’s executive committee, urged the government to act on the report (Le Devoir, 22 April 1999). Her position favouring a stronger metropolitan authority parallels that of the leadership of Metro Toronto during the debate on the Golden report. In the immediate aftermath of the report’s release, the minister responsible, Louise Harel, refused to commit the government to any particular course of action.

Conclusion

If this paper could have ended with the presentation of the Golden report, there would have been an exceptionally neat academic package: “information-age” task forces in Montreal and Toronto advanced similar plans to promote global competitiveness of their respective city-regions. Unfortunately for those who like simple plot lines, subsequent developments were exceptionally complicated. In a move replicating what happened in New York a hundred years ago but what has not happened anywhere else in the United States for 25 years, Metro Toronto was consolidated into one municipality. Then the GTSB was brought into being as a regional service agency, notwithstanding the fact that in the suburban regions outside the new City of Toronto, two-tier regional systems continued to exist.
Meanwhile, in Montreal, legislation establishing a new metropolitan agency was enacted, but never implemented. A sovereignist government then received a report, supposedly concerned with municipal fiscal issues, that effectively recommended the establishment of a new government for metropolitan Montreal that would probably be more powerful within its boundaries than even the government of Quebec itself. While the authors of the report concerned themselves with the most grandiose designs for municipalities ever contemplated in Canada, mayors of many of the smaller ones within the MUC -- especially those in which anglophones predominated -- pointed out that no one had yet explained exactly how the creation of bigger municipal governments within the Montreal area was supposed to solve the various problems that had been so carefully articulated. More than five years after the completion of the Pichette report, nothing has happened.

At some point in the future it might be possible to explain the differences in the recent history of provincial policies concerning municipal restructuring in Montreal and Toronto. In mid-1999 we do not know what, if anything, will happen in Montreal. This is just one of many reasons why attempts at sophisticated theoretical explanations of recent developments in the two cities are premature.

References


