

THE UNIVERSITY OF MANITOBA

The Process of Change : A Study of
Local Government Reorganization with
a Case Study of Thunder Bay, Ontario

by

Jane Norah Pickering

A Thesis
Submitted to the Faculty of Graduate Studies
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ABSTRACT

The modern world has and is undergoing rapid changes. These changes are felt most at the local level since this is the level of service and government most visible by the population. It is also the level at which more rapid and effective changes in administration and governance must be made so that outer influences such as sprawl and increased service demand do not become uncontrollable.

In the 1950's when it became blantly clear that reorganization at the local level was becoming more and more urgent, studies about it began to be undertaken. Gradually, over the past thirty years, as urban areas grow unceasingly, the field of local government reorganization has expanded and contributed greatly to better management of urban areas. It is an important field of study which must constantly be examined if cities are to change effectively.

Herein will be found an investigation into the concepts of government re-organization facilitated through a review of the literature on the subject and study of past examples of re-organization. A short history of government reform in Ontario is presented which then leads into an investigation of the government re-organization done in 1970 in Thunder Bay, Ontario. An evaluation of that re-organization is done and pertinent recommendations as to further change given.

It is hoped that this study will shed new light on an important subject and add to the knowledge already existing on local government reorganization. It is also hoped that investigation and further probing by others will lead to new avenues of discovery in this field.

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In addition to this, no man is so much raised on high by any of his acts as are those who have reformed republics and kingdoms with new laws and institutions. After those who have been gods, such men get the first praises; and because there have been few who have had the opportunity to do it, and still fewer who have known how to do it, the number of those who have done it is small.

Niccolo Machiavelli

INTRODUCTION

The world of the twentieth century is a far different world than that of any other past century. No other age has seen such rapid technological advancements nor such a leap in the process known as "progress". Technology has not just altered the mode of transportation we use or the method of cooking our food but it has had a profound effect on the environment in which we live.

Up until the twentieth century, most people in Canada and, indeed, throughout the world, lived in a rural society. Urban centres existed as centres of transportation, administration and distribution of goods but, generally, a greater percentage of the population lived in rural areas. However, the changes brought on by the Industrial Revolution altered this situation considerably. Centres of a moderate size blossomed into large areas containing factories which employed a large number of people and which also produced more sophisticated goods. Young people, in particular, were attracted to the urban areas for work and the hope of a more prosperous life. *"It was not until the nineteenth century that mankind had achieved both the level of technological development and social organization that permitted the relatively widespread appearance of very large cities."*¹

Unequaled growth of urban areas continued from the turn of the century until the present time. In 1871, there were only nine municipalities in Canada which had a population of 10,000 or more but by 1971, there were 246 in this range. As well, in 1871, these nine mun -

icipalities accounted for only 10% of the total Canadian population whereas in 1971, the increased number with populations over 10,000 accommodated 62.7% of the total Canadian population.² This illustrates the incredible growth rate of urban centres during the past 100 years, a rate which shows no signs of decreasing but is seen by population experts as continuing to rise. *"This trend will continue so that by the end of this century, well over one-half of all Canadians will be living in the 12 largest metropolitan areas. The implications in growth terms are even more impressive. Of the 16 million persons added to our population by that time, 11.5 million or three-quarters of this increment will be located in these 12 centres."*³

The combined influences of population growth and modern technology have wrought great changes on the urban environment. The large number of people drawn into the city have tended to settle on the fringes of urban areas while drawing on the services of the central areas or, as an alternative, creating their own. Naturally, to maintain order and service levels, governmental agencies or special purpose authorities were established to administer new service areas. Over the years, instead of developing an effective method of handling change, what emerged was a large, tangled, complex web of governmental agencies which were largely inefficient. T.J. Plunkett maintains that governments were simply maintaining their role of "housekeeping" resultant in this multiplicity of agencies.⁴ They were essentially not responding to long-range considerations but were simply trying to maintain some order for the present time.

Nevertheless, it was obvious that changes in government organizations were necessary to better handle a rapidly changing environment. Studies of methods of change, and more particularly re-organization of areas, began in the 1950's when real problems with rapid urbanization began to emerge. In effect, the science of government re-organizations had been born. From that time on, government re-organizations have been widely studied and various attempts have been made to re-organize some areas. Some of the more famous and model re-organizations have been done in: Miami, Florida and Toronto, Ontario. However, further study and investigation into the field is necessary since cities continue to change and this change must be reflected in the governmental adjustment. It is hoped that this particular study will contribute to the existing research done in the area of government re-organizations.

Its purpose is to investigate government re-organizational literature in order to discover the principles upon which re-organizations are founded and to examine some cases of re-organization which have been executed in the past. The study will then make an examination of one re-organized area ie: Thunder Bay, Ontario, to investigate how the re-organization there was done and whether it has been successful, ie: whether the community has experienced increased benefits from the re-organization.

There are many methods of evaluation and many criteria on which to base an evaluation. For the purposes of this study, five criteria, which are drawn out in the first chapter, will be the basis of the evaluation of the re-organization in Thunder Bay. These criteria

- are:
- i) the degree to which a government gets things done
 - ii) is the political and administrative structure appropriate for the area
 - iii) is there a general development plan
 - iv) has enough time elapsed to make a study valid
 - v) has the restructuring been accepted by the citizens

As well as consideration of these five points, comments based on the data of Thunder Bay's new structure and recommendations for the future will be made.

The study has been divided into four main chapters all containing sub-divisions. The first chapter examines the literature on re-organization to discover the various reasons for re-organization; different methods of effecting re-organization and provides some case examples of re-organization. The basic criteria for evaluation mentioned earlier are also developed in this section.

In Canada, each province has experienced different histories of local government reform with different results. While the individual situations are interesting, they are not relevant to this study. Therefore, since the case study city is located in Ontario, only the history of local reform in Ontario is reviewed. This is done in the second chapter and provides a bridge between the conceptual section and the case study. It also aids in putting the Thunder Bay examination in a more relevant context.

The third section contains the case study of Thunder Bay. This section has been designed so that the reader can compare conditions before the re-organization in 1970 and after 1970. In this way, benefits and dis-benefits are easily visible. Each department of the

local government is reviewed so that service levels and efficiency of delivery can be measured. While empirical data is used to establish conditions, this section also contains, by their consent, pertinent remarks by prominent Thunder Bay citizens and officials who were involved with the actual re-organization as well as observing the later effects. As well, since the author was born and raised in Thunder Bay, it is felt that her opinions and impressions are valid as a basis of information.

The final section contains the conclusions and recommendations of the author as to further improvements in the city. It is hoped that the reader can glean from this chapter whether the re-organization in Thunder Bay has proven to be beneficial or not and the reasons behind this evaluation.

The study has been so designed that the reader is taken from a wide scope of study and gradually narrowed down into a more concentrated area. In this way, the case study becomes more relevant and can be viewed in the context of provincial developments and, on a wider scale, of being one of other re-organizations.

As was stated earlier, change is the force which keeps an area vital and abreast of progress. The alternative to change is stagnation and population disgruntlement. However, irregardless of the number of changes that an area goes through or the number of politicians who try to force their views on a people, cities will always exist and continue indefinitely. It is hoped that the study of government re-organization will continue to flourish so that ever better ways of change may be developed and future cities will be better able to cope with "progress".

FOOTNOTES

- ¹Philip M. Hauser, The Study of Urbanization, New York: Wiley Publishers, 1965, p. 2.
- ²N.H. Lithwick, Urban Canada : Problems and Prospects, Ottawa: Central Mortgage and Housing Corporation, 1970, p. 33.
- ³Institute of Local Government, Urban Population Growth and Municipal Organization, Kingston: Institute of Local Government, Queens University, 1973, p. vii.
- ⁴Plunkett, T.J. The Financial Structure and The Decision-Making Process of Canadian Municipal Government, Ottawa: Central Mortgage & Housing Corporation, 1972, p. 11.

SECTION I : CONCEPTS OF RE-ORGANIZATION

Reasons for Restructuring

Every community is unique in its history, its development and its governmental structures. Government develops along lines which best suit the area at any one time and responds to the needs of its citizens. However, this development can be erratic, piecemeal and fragmented, producing a structure which is complex as well as fragmented. Add to this the growing complexity of urban life due to population growth, urban sprawl and increased demands for better local government and the result is: confusion, inefficiency and, often, citizen alienation from local government.

While this may seem a somewhat dramatized picture of local government, the literature on the subject speaks in these terms. It serves to emphasize the somewhat less than ideal situations under which local governments serve. These are not specific reasons for government restructuring but do help to set the atmosphere that frequently leads to it. As was said earlier, each community is unique and has circumstances which contribute to its own particular form of restructuring. This should be considered when any study is done. These unique characteristics, obviously, cannot be pursued here. However, there are certain factors which are common to all restructuring and are the general impiety which lead to changes.

Firstly, let us examine the purpose of local governments. One might assume that the purpose of local governments is to properly administer the area of its jurisdiction and take care of the basic needs of its citizens. This would not be a false observation and is the basic premise of the rationale behind local governments. Indeed,

the Royal Commission of Local Government in England stated exactly this in its report in a more lengthy way. They stated that: "*the character of local government must be such as to fulfill four things:*

- . *to perform efficiently important tasks concerned with the safety, health and well-being of people in different localities*
- . *to hold the interest of its citizens*
- . *to have enough strength to deal with national authorities in a valid partnership (for Canadian situations, this should read with provincial authorities)*
- . *to adapt to change."*¹

This last criteria is a sweeping statement and yet it is exactly the reason, or rather its negative side i.e. inability to change, that many local governments need restructuring. They have simply failed to adapt to change or, more accurately, failed to adapt properly and effectively to change. This still is not an adequate explanation for reasons to change but it is the foundation underlying more specific reasons and should be kept in mind.

One of the strongest issues that pro-restructurists argue is the greater need for efficiency. As has been stated earlier, as urban areas grow, various agencies or branches of government spring up in response to the needs of the people resulting in too many agencies, some of which perform the same task as two or three other offices in a more distant part of the city. As a result, to use a colloquism - frequently the "right hand does not know what the left hand is doing."

To further confuse one, often there are various levels of government controlling functions which are within the jurisdiction

of another authority. In other words, various levels of government have overlapping boundaries. Usually, to add to the confusion, the city itself is divided up into administrative areas by each department none of which coincide with each other.

The multiplicity of offices, levels of jurisdiction and general confusion can only produce inefficiency in provision of services. As one study aptly puts it: "*there are too many governments and not enough governments.*" The symptoms are described as: "*duplication of functions*" and "*over-lapping jurisdictions.*" Autonomous units of government, acting in their own behalf, are considered incapable of resolving the diverse problems of the wider metropolitan community. The political topography of the metropolis is called a "*crazy quilt pattern*" and its organization is said to be an "*organized chaos.*"²

Along with the argument for greater efficiency in the provision of services goes the argument for higher quality of services. It is implied that a more centralized administration can better provide a higher quality of services through increased efficiency as well as access to the combined funds of all departments now falling under its jurisdiction. This is pursued in the following section on economies of scale.

Another reason for restructuring, and one which is less complicated, is simply that a provincial government imposes a new structure on a local government. It must be remembered that municipal governments have no legal foundations in the B.N.A. Act and, therefore, are creatures of the province. The province legislates local government into existence

as well as designating powers to it. There is no "home rule" in cities in Canada but, there is the cry for more municipal powers to better control the city and its progress.³ This will be discussed more in depth in the following section but it is useful to keep in mind that, often, restructuring is imposed rather than voluntarily implemented.

Perhaps the most prevalent reason for restructuring, and particularly consolidation, that is given is economies of scale. This is a somewhat more complicated issue than other reasons and must be given more explanation here.

The basis on which economies of scale rests, in relation to local government restructuring, is that a larger unit can produce services more efficiently and at a lower cost than a score of smaller authorities. The suggestion of a lower cost is attractive and implies a lower tax rate for citizens. In reality, however, a lower tax rate is rarely achieved for costs are not lowered. Indeed, there appears to be little support in the literature for the argument of cost in relation to scale. Few studies have found any evidence to support the "bigger is cheaper" argument.

In fact, opponents of consolidation frequently attack this gap in evidence and charge that consolidation will make taxes go up as the new single unit government needs more money to expand. New administrations sometimes do need more capital to expand either in capital investments or employee size but perhaps the expansion is not any greater than would have been experienced by the former smaller units. Unfortunately, this could never be known and any suppositions

concerning this would be sheer conjecture.

A good study of economies of scale in relation to cost is that done by Werner Z. Hirsch. Hirsch develops a model of growth wherein consolidation of services can take three forms. These are:

- i) horizontal integration - a government controls a number of units all furnishing a single service (police protection) and a unified policy is pursued in regard to these units.
- ii) circular integration - a government unit renders a number of services that compliment each other, for example, City Hall.
- iii) vertical integration - a government controls a number of different operations in the production of ingredients which enter into rendering a service and a unified policy is pursued, eg: electricity generation and distribution.⁴

Hirsch maintains that consolidation perpetrates horizontal integration of departments by permitting control over more units which are already in existence. In fact, aside from centralizing administrative units, little is done initially in the way of expansion via new buildings, i.e. the new government uses units already in existence. It is only when services have to be added are the true needs of the new government reflected.

Hirsch goes on to say that those factors which benefit private industry from scale economies do not occur in consolidated governments. These factors are lower factor costs, larger and more efficient plants along with induced circular and vertical integration. Cities contain few factors in large enough quantities to force price concessions and unionization of employees can force dis-economies on the government. This factor of high diversity of the city could be contended since buying power must surely be increased due to quantity.

In his review of studies done by others on economies of scale in various city services, Hirsch finds the same conclusion every time. Here, the city size varies in order to establish if the larger cities are more cost efficient and, if not, what size of city best facilitates cost efficiency. Studies of police and refuse collection (both horizontally integrated services) showed no significant scale economies for communities of 200,000-865,000 in the St. Louis city-county area. Results were the same for education while fire protection showed small economies of scale up to a population of 110,000.⁵

There are many studies mentioned where economies were found and where no economies were found. Generally speaking, there were few economies of scale for cost to be found in the studies Hirsch used. What is interesting is that those economies that were found for cities of 50,000-100,000 people. *"Therefore, in terms of economies of scale, governments serving from 50,000 to 100,000 urbanites might be most efficient."*⁶ The Royal Commission on Local Government in Greater London stretched their population limit to 250,000 in order to insure strong financial positions to maintain good staffs of professionals.

The matter of efficiency is as diverse as that of cost. The Royal Commission done in England in its investigation of whether larger authorities tend to give better or worse service could not prove statistically that size had any relation to performance.⁷ However, their studies did qualify that performance is very hard to measure since it is not known how new authorities would compare

to old and on what criteria performance should be based. Wilbur Thompson in his book, A Preface to Urban Economics, agrees on this point of not knowing how the old government would perform or could have performed. *"What is usually absent is any quantification of the purported economies foregone and/or the public service quality presumably sacrificed by retaining fragmented local government, and this is a gap in the case for bigness because political consolidation cannot rest easily on some trivial gain in scale economies."*⁸ Thompson here is arguing against the automatic presumption that a larger unit naturally produces a more efficient service. He feels that the smaller government unit ought to be better examined to see if it, indeed, is more efficient than large areas and, how smaller units could be improved.

However, a problem here is defining what efficiency is and how it can be rated. If ten people were asked to define efficiency, ten different answers would result. The definition of efficiency is partly a subjective one, but, there are basic criteria on which most people would agree is a solid foundation on which to base efficiency. Since little work has been done in this field of evaluation, the following is largely conclusions of research in this area. It should be added here as well that effectiveness can be considered on these terms.

The first topic that comes to mind as to efficiency, which is an all encompassing definition, is simply examining if a government gets things done. This is a very simple base on which to judge a government's performance and it is also a very

narrow one. It must be broken down and widened.

Part of what determines government performance is government structure. A large unwieldy structure will not perform as well as one that is administratively fine tuned. Various government structures will be reviewed in a later section, but, let it suffice here to state government structure as a source of efficiency and effectiveness. Naturally, this depends on the area and how well the structure has been developed to the needs of the area it serves.

Whereas structure provides the machinery of government, it is not enough on which to operate. A city must have a plan for its entire area i.e. an overall development plan. This can reduce conflict over area development and speed up decisions concerning services that are to be implemented. For example, it would be highly unnecessary to install an industrial sewer system in an area that became low density residential. This would be inefficient as well as wasteful. Here, however, it is wise to tread carefully for general plans can be politically volatile. It is necessary also to build flexibility into the plan so that changes in policy can be adapted to the plan.

Some cities do not have general plans, thereby making it very difficult to judge their efficiency and effectiveness. These can only be judged on a function by function level which is not a very effective method.

Efficiency is not something that can be tested on a short-term basis. One needs to look at government as it acts over time in order to allow for a long-term perspective. Short-term perspectives

could be premature as well as incomplete and a study of government must be careful not to examine a new government too harshly during the first years of operation. This is generally a time of "*ironing out the kinks*" in the system and where difficulties in adjustments are bound to be encountered. An appropriate amount of time (anywhere from 5-10 years) after restructuring must therefore be allowed to elapse before a valid evaluation can be done.

A study of the Winnipeg system brought out a good point concerning the issue of time. It was noted that people who worked in the old system of government and then were integrated into the new system could alter the original design of the new system. Essentially, they were carrying on practices established in the previous structure and simply carrying them over to the new. This can alter the working structure of a system radically from what it was intended to be. Therefore, the conclusion was reached that enough time must be allowed to elapse to facilitate an influx of new people who can be trained initially in the ways of the new government.⁹

One last general criteria is perhaps the most difficult to rate. Since most restructurings take in territory formerly not within the city government, there is usually an outcry on the part of the residents of the annexed area and the former city as to the drawbacks of the annexation. The degree to which this antagonism can be placated is a measure of the effectiveness of a government and one which ultimately affects its efficiency. To reiterate a former point, enough time for initial reactions to stabilize is needed if this criteria is to be tested.

As stated earlier, there are numerous points on which efficiency can be evaluated. Some of these are subjective and some apply only to the uniqueness of a certain area. However, only specific studies can bring forth those points. Let it suffice here to say that the following points are foundational to the study of efficiency and effectiveness. These are:

- i) the degree to which a government gets things done
- ii) structure - is it appropriate for the area
- iii) is there a general development plan on which to direct policy
- iv) has enough time elapsed to make possible a study of efficiency
- v) has the restructuring been accepted by the citizens

Many and varied reasons for restructuring could be given. Some of the more prevalent have been examined in the above section. The basic reason, however, is the desire of community and provincial officials to create a better system of city administration based in government in order to make urban life less complicated and more enjoyable for those who live there. This goal is not always reached, but, assumedly it is the motive which underlies all restructurings.

Methods of Reorganization

Canada and the U.S. have two different systems of government and therefore two different procedures in changing the form of local governments. Since some U.S. examples of restructurings will be used in the next section, it is necessary to briefly describe the two different approaches.

Canada has a relatively simple way of creating new urban forms. Cities, being the creatures of provincial governments, are reliant on that higher authority for legislation that empowers them to govern. Therefore, changes are legislated into being and the area must accept them. The circumstances, of course, can be different. At times, the changes are made at the request of the city and its citizens by petition. Other times, the province has decided to take the initiative to restructure what it considers ineffective local governments where the local authorities are loath to act. The absence of any citizen participation or right to participation in the decision process can happen.

Government acts on behalf of the people and for the people but not with the people. At times, this can cause a great deal of conflict amongst the people. Take for example the case city, Thunder Bay. There was great criticism of both provincial and local governments that so little participation was asked of the citizens as to their opinions of amalgamation. The name of the new city was chosen by referendum, but it was viewed as little compensation for being totally excluded from the decision to amalgamate.

The U.S. situation varies strikingly with the Canadian one. A referendum is put to the citizenry who must then decide if government restructuring is desirable or not. Generally, the vote is unsuccessful. The restructuring is squashed at the outset. In fact, in the past 80 years, 35 consolidations plans have gone to a popular vote but only 9 of these were successful.¹⁰ After a suc -

cessful vote, naturally the state has to prepare legislation to effect the changes as Canada's provincial legislatures. The essential difference is the referendum vote, which is the chief reason for tumultous restructurings in the States. The lack of it in Canada is the chief reason for the greater amount of restructurings in Canada.

A great deal of work on referendums and how to make them successful has been done. Most interesting is a book by Walter Rosenbaum and Gladys Kammerer entitled, Against Long Odds : The Theory and Practice of Successful Governmental Consolidation. It explores the psychology of referendum votes in theory as well as in practice in that they examine two American referendums - one successful, and one unsuccessful (these being Jacksonville and Tampa). While this topic is not particularly applicable to the focus of this study, there is a small section which is of interest. This is the 3 stages that Rosenbaum and Kammerer say precede consolidations. Some of this is very relevant.

The first stage that is reached is that of a crisis climate wherein the present government faces serious problems and does not appear able to deal with these problems adequately. The problems faced could be sudden or gradual, it really doesn't matter. Members of "*power elites*", civic groups or leaders of the business community usually become involved at this stage in demanding government response to the ensuing problems. It is at this point that restructuring is either supported or squashed, depending on the actions of the government. If they act and face the issues, likely plans for restructuring will go

no farther. However, if the government fails to respond adequately, restructuring plans blossom and the stage is set for the next phase in the model.

This is the stage of power deflation. It is defined as "*a growing lack of confidence in local governmental personnel, powers and resources among those whose support is customarily important for local governments effective operation.*"¹¹ It is here that a complete overhaul is seen as the answer to the problems rather than simple re-alignment of a few agencies. However, this stage will not be successful if it is not supported by "*those whose support is customarily important*". These are essentially power elites and media people who, through various channels, are able to "*talk up*" the extensive problems of the present government and throw support behind restructuring.

The last stage is entitled the accelerator. It is an event that magnifies the shortcomings of the present government to be used by advocates of change to create public sympathy and determination to change. The actual event may well have nothing to do with restructuring efforts (such as a scandal concerning city officials like that in Jacksonville), but it serves nevertheless to be "*the straw that broke the camel's back*". It is usually such an event that carries the referendum to a victory.¹²

Those, then, are the 3 stages as laid out by Kammerer and Rosenbaum. Naturally, the boundaries between each stage are not precisely delineated but the process is very interesting. Such stages may be difficult to identify in Canadian restructurings but qualities of them are usually present. (For example, lack of confidence in gov-

ernment and withdrawal of support by influential people.) The concept is interesting to keep in mind when studying restructuring.

Structural Forms

The decision to rework a local government has been made. The next step, then, is to decide on what form the new government should be modeled. No criteria for choice can be laid out. Each area is different and has diverse needs and characteristics. A study of an area must be done to determine what those characteristics are and which structure will best suit that area.

These are forms which are more popular than others and which have been used most frequently in recent years. These are single tier, 2 tier, unitary and contraction of services. These forms will be examined along with examples of each in the following section.

The single level approach

The single level arrangement of government is exactly as it sounds - government at one level handling all the city's needs. Those in favour of this approach see it as a more efficient, economical and effective way of handling public resources. It has been lauded for distributing public financial resources more evenly and, thereby meeting the needs of the people to a greater degree. Its opponents, however, claim that there is a loss of local control, decreased citizen access to public officials and reduced attention to local services.¹³

Single level reforms are the oldest method of reform since they were the first type instituted. Focus is usually on the older core of the city uniting with outer areas. This approach can take 3 forms:

- i) annexation of nearby unincorporated areas
- ii) municipal consolidation which is the merger of 2 or more incorporated units
- iii) city-county consolidation which is the merger of 1 or more municipalities with the county government

For purposes of this study, only the latter two methods will be discussed.

Municipal consolidation is an older method of reform that was very popular around the turn of the century, but, fell into disuse as other forms became more popular. Largely, this was due to the size of modern urban areas. They were usually too large to incorporate with another large area which would create an unwieldy size city. As well, annexation or city-county mergers were favoured as less politically risky. However, from all evidence, it seems that municipal consolidations are adequate for medium-sized cities of 25,000-100,000 even though they are not used too frequently now. Since the case study is one of this nature, an example will not be given at this point.

City-county consolidations, however, are much more frequently used and radically alter the governmental structure. This is a phenomena that occurs more frequently in the U.S. and, therefore, an American example will be used. However, it must be understood that, while this form of restructuring is more widely used, it is still not often implemented. The reasons for this are basically that the state must legislate

an act enabling city-county consolidation and the move must be sanctioned by the voters via referendum. Rarely do proposals get past these two hurdles.

One area that did survive these blocks and went on to consolidate was the Nashville-Davidson county area in 1962. However, the proposal had failed 4 years earlier, largely due to a suburban bloc of voters which opposed the move. Irregardless, the 1962 vote triumphed and Nashville began setting up its new government.

Prior to consolidation, Davidson County had essentially 12 governments: the county, the city of Nashville, 6 incorporated suburbs and 4 special utility districts. Nashville itself worked under a strong mayor-council system with 21 councilmen. The county government consisted of 55 magistrates elected from 16 districts who handled the affairs of rural areas with the county judge as the chief executive officer. This board levied taxes for county services and provided courts for the state. Interestingly enough, the city and county shared planning staffs, an arrangement that worked very well.¹⁴

The structure that emerged after consolidation is quite unique. The strong mayor-council system was retained with a 41 member metropolitan county council - six elected at large, 35 from single-member districts. The mayor appoints the heads to all departments and he selects members of all boards, including the school board. However, it is the vice-mayor (not the mayor) who is the presiding officer at council.

There are two service districts:- the General Service District and the Urban Service District. The former encompasses the total county while the latter comprises the city of Nashville itself. Each district levies its own tax so that those who live in the USD pay higher taxes than those in the GSD since USD residents receive more services. The USD is responsible for functions such as:- fire protection, water, sewers, street cleaning, additional police protection, etc. The GSD provides for general administration, police, courts, health, welfare, schools, transit, etc., - basically anything that is of area-wide concern. In this way, the city residents receive the extra services they need without the outer areas financing them.

The new system works relatively well. Public school quality was upgraded, integration was initiated and there was removal of some inequities in programs and teacher's salaries. A better park system was instituted along with massive sewer construction. One of the criticisms of the new structure was that it would make a politician less accessible to his constituents and less accountable for his actions. This happened to a slight degree, but, results of a survey taken in Nashville showed that close to 75% of those interviewed felt that government was as accessible if not more so while "*buck-passing*" happened less frequently.¹⁵

Some duplication of services was eliminated, yet, the number of employees increased. There were some economies of scale realized, but, these were negligible even though theoretically the new structure was suppose to save millions of dollars. The property tax rate was

kept down but this was due to other taxes being initiated as supplementary to property tax, eg: automobile registration fees. One clear benefit was the capability to hire a more specialized and professional staff.

The list of changes both good and bad is endless and it is not the purpose to document them. What is important is to assess this type of single level government for its effectiveness and efficiency. In Nashville, it is indisputable that reforms benefit the area, so, it could be said that the new government was effective but, it is felt that other forms of government might have been more effective for a city of Nashville's size (close to $\frac{1}{2}$ million). For cities of lesser population single level government works very well but for larger areas, other types of structure are generally chosen. I tend to agree with Horan and Taylor that reform created the proper environment but the structure could have been improved upon. Consolidation created a sympathetic environment for rational and reformist government practices in the Nashville-Davidson region, but city-county consolidation is not feasible for most urban communities.¹⁶

More widely used in Canada are single purpose districts such as the Greater Winnipeg Water District, or, the Greater Vancouver Hospital District. Establishment of single purpose districts was an early response to fragmented government. They usually apply to service such as water, sewage, etc., or planning and health areas. These agencies are more than capable of delivering the services for which they were created, yet their focal point remains narrow. They

do not see the overall view of total government - naturally enough since that is not their function. This is the major area of criticism for single purpose bodies. *"The most acute short-coming of these special purpose bodies was their inability to raise the larger policy issues and to resolve the conflicts that frequently surrounded them."*¹⁷

The lack of citizen input is another area of criticism. This stems from two things. Firstly, the multiplicity of these agencies confounds the average citizen. Kenneth Crawford lists 15 different single purpose bodies existing in Winnipeg in 1955.¹⁸ Such complexity restricts understanding of local government as well as clouding where responsibility lies. Secondly, these agencies are frequently one step removed from government since their executive members are usually appointed rather than elected.¹⁹ This affords some control by the council in that they may appoint whomever they chose, yet, the only truly effective method of control is through the budget. The electorate have limited control through their elected representatives but it must be pointed out that single purpose bodies usually resist any large amount of control by the local council.

To be fair, however, there are some advantages to single purpose bodies. They do bring expertise to a specialized area and concentrate all that expertise on that area. In addition, they remove certain essential services from the political "area" which also has its merits. Yet, it seems to contradict the democratic principle of control by the people. It seems that any disadvantages far outweigh the advantages. Crawford puts it very succinctly:

Local government should be viewed as a whole. The importance of the various activities and the burden which they impose upon the taxpayers must be looked at with a proper perspective and the financial requirements for each must be considered in relation to the whole. This can be done only by a body which has the entire field of municipal activity within its purview. The special purpose bodies are likely to lack this perspective. . . . Inevitably, where the responsibility for various municipal activities is distributed among independent bodies there is overlapping, shifting of responsibility, duplication of staffs, lack of co-ordination and often lack of co-operation. Jealousies and bickering develop at both the elective and appointed levels and the lack of any over-all control results in policies and programs which work at cross-purposes or, at best, are carried out in ignorance of the aims and purposes of the other bodies, with loss to the citizens both in money and service.²⁰

Generally, larger urban areas which would have need of single purpose bodies opt for a two-tiered form of government in which the upper tier handles region-wide services.

The two level approach

With the increased size of urban areas come increased concerns over area-wide problems. Many of those who fought to restructure local government found single levels and single purpose bodies to be inadequate. The two-tiered system was chosen as more relevant and is essentially the system that large urban areas employ.

The two-tiered system is composed on exactly that - two tiers. The upper tier is the regional council and deals with area wide problems and services, while the lower tier is composed of the various local units who deal with local problems and services. De-

pending on the system, members of the upper tier council are either directly elected or chosen from among those at the local level e.g. the mayor from each member municipality.

This type of structure can take three basic forms:

- a) Metropolitan district - A governmental unit which usually encompasses the whole metropolitan area but is generally only authorized to perform one function of an area-wide nature.
- b) Comprehensive urban county plan - The simultaneous transfer of certain functions from the municipal level to the county level.
- c) Federation - The establishment of a new area-wide government that replaces the county.

In this study, examination will be given to the comprehensive urban county plan and federation but not to metropolitan districts. These are essentially single purpose bodies with a large area to cover and, therefore, fall within the criticisms of the previous section. They are not seen as a pertinent method of dealing with civic problems.

The comprehensive urban county plan, however, is much more acceptable for a variety of reasons. Chief among these, is the fact that many urban areas do lie within the confines of one county to begin with thereby bypassing any boundary realignment. In addition, it is not necessary to create another level of government in an already fragmented organization. However, there are problems to encounter when attempting such a plan. The determination of electoral districts is a problem, as it is in federation, since it is possible for one area to have more influence than the others on council. Responsibilities to be assigned to the county are usually under dispute and focus on the ques-

tion of defining the area-wide problems. As well, the county usually has a limited financial base and its capability to handle more responsibility is questioned. Nonetheless, comprehensive urban county plans have been employed as these stumbling blocks are not seen as major ones.

County plans are more popular in the United States than in Canada, since the American system employs more widely the county set up. An excellent American example of this type of government is Miami-Dade County. However, since there are Canadian examples of this form, one of them will be used to illustrate comprehensive urban county plans, that being the Regional Municipality of Ottawa-Carleton (herein referred to as the RMOC).

The RMOC was created in 1969 and was the second reorganization done in Ontario, the first being that of Toronto in 1954. It was modeled on the existing county system and contains an upper tier of 30 representatives, plus a chairman and a lower tier comprised of the 11 area municipalities. The upper tier was assigned the responsibility for development and implementation of the official regional plan: transit, health and welfare, debenture financing, water distribution, arterial roads, sewage and waste disposal collected by area municipalities. The lower tier is responsible for the local functions of each respective municipality, chief of which ^{are} fire and police. This is somewhat extraordinary since most two-tier authorities assign these responsibilities to the upper tier especially that of police.²¹

The political structure of the area municipalities varies with the size of the community and the services needed. The city of Ottawa with a population of approximately 305,000 obviously will have

a more complex structure than West Carleton whose population is approximately 9,000.²² The various structures are not the concern of this study. Let it suffice to say that each community has some form of a mayor/reeve council.

The regional council is of more importance here. It consists of 30 representatives from the municipalities and, a chairman. At least one member from each municipality sits on the regional council. The chairman acts as the head of the council and the chief executive officer. He is elected by the council for a two year term and can be re-elected for further terms. He serves as head of the Executive Committee, but, he can only vote in the case of a tie.

The Executive Committee consists of eight members of the council and the chairman. They are chosen by council with no more than half coming from the City of Ottawa to prevent domination by that area. This committee controls the budget, nominates senior administrative personnel and is usually able to gain acceptance of its policies, since it requires a two thirds majority to reject one of its proposals.

The RMOC has nine departments whose heads report directly to the chairman. These are the planning department, the roads department, traffic and engineering services, social services, homes for the aged, works, finance, legal and emergency measures. All these departments are over-seen by an appropriate committee. In addition, there are some independent commissions covering transit and regional health.

Basically, most county plans follow the same format as the RMOC with minor variations. The point of significance is that the new government is essentially modelled on the old government, i.e. that of the county. Fewer problems of transition occur than in the federation plan.

Federation involves the establishment of a new government comprised of area municipalities. It essentially wipes out any county government that is in existence as it assumes county responsibilities. Generally, federation is opted for by an area that overlaps into two or three counties. However, it is a form that has found little acceptance in the United States. In Canada, it has been more readily received, especially since the Toronto area established it as its form of government in 1954 with some changes in 1967.

The Toronto area has always been a large growth area, but, growth was accelerated after World War II due to the influx of immigrants. Small municipalities surrounding the City of Toronto found it becoming increasingly difficult to provide services for this boom of population and to acquire the financial resources to do so. Included in the people boom was an expansion in industry which demanded certain special services as well.

This situation resulted in some of the municipalities desiring a joint administration of services with the City of Toronto, while Toronto suggested complete amalgamation. These proposals went before the Ontario Municipal Board, which is responsible for effective operation of municipal governments. It, in turn, provided its

own recommendations which the province adopted.

The form adopted was an upper tier concerned with area-wide problems and a lower tier comprising the municipalities of which there were 13. It appears to have the basic form of a county plan but requires more co-operation. *"The two tiers must co-operate with each other for the federative approach to produce the intended results."*²³ The difference is subtle but real. In the course of this change, the 12 suburbs of Toronto were disassociated from York county.

The structure of the regional or Metro council was as follows. There were 25 members on council, 12 from the city of Toronto and 12 from the area municipalities (one member from each). There was an independent chairman who was appointed by the provincial government for the first 2 years and thereafter elected by council. All members on council except the chairman had to be elected members of their municipalities and were generally the mayors of those bodies. This division of representation proved to have some inequalities and was later changed.

The responsibilities allocated to Metro were fairly wide. They included property assessment, water supply, sewage disposal, arterial roads, transit, health and welfare, justice, parks, public housing, planning, law enforcement and licensing.²⁴ Some of these areas also fell within the jurisdiction of the municipalities and then systems of sharing responsibilities had to be worked out. For example, in water, the metro would act as a wholesaler where it built and maintained pumping stations, reservoirs, etc. It then sold water

to the municipalities at a wholesale rate who, in turn, sold it to consumers at retail. Other times, Metro would participate in the financial aspects of a municipal department as in education where it approved funds for purchase of school sites and issued bonds against its own credit.²⁵

It is interesting to note that no provision was made for an executive committee such as in Ottawa. As well, the chairman of the council had a relatively weak position. However, due to the strength and political willingness of the first chairman, Frederick Gardiner, an executive committee of 7 members was created by the council. This body could prepare budgets, nominate department heads and positions on independent boards, award contracts and other administrative functions. So, almost immediately after creation, Metro is altered from its intended form. In essence, "*the Executive Committee became the de-facto head of the administration, and Gardiner became the informal head of the Executive Committee.*"²⁶ Frederick Gardiner, indeed, altered the basic power structure of Metro in this and other ways.

Metro Toronto, then, as it was originally envisaged was a rather loosely organized federation between 13 municipalities who basically needed each other and also needed supervision as a whole unit. Frederick Gardiner changed the original Metro to make the council stronger and better able to cope with problems. However, by the early 60's situations had changed, particularly population shifts from the central city to the suburbs and there was an obvious need to change the representation ratio on Metro council. As a result, some changes occurred in 1967.

On the local level, the 13 municipalities were consolidated into 6 governments. These were City of Toronto and the 5 boroughs of Etobicoke, York, North York, East York and, Scarborough. In addition, the school boards were made to conform to these new boundaries.

The upper tier council was expanded to 32, allocating 12 members to Toronto and from 2-6 members to the boroughs. This reapportionment was based on the 1964 population of the newly expanded boroughs and divided by twelve.²⁷ This gave more equality in representation by population as well as increasing representation by the boroughs which contained a great many more people than in 1954. All members, however, still had to be elected first by their respective local units.

The executive committee was increased to 11 members: 1 chairman, 5 representatives from Toronto and 5 from the boroughs. The functions of the committee remained the same, i.e. preparing the annual budget, awarding contracts, nominating all heads of departments and proposing policies.

In addition, the Metro council assumed more financial responsibility for the school boards as well as total responsibility for all public welfare services, urban renewal and waste disposal. In spite of the changes of form, the basic structure was not changed. The upper tier lost no powers to the lower tier and the outer boundaries of Metro were not altered. *"However, the total impact of the alterations undoubtedly represents a strengthening of the metropolitan tier and a further integration of the system."*²⁸

There are, as well, some single purpose bodies appointed by Metro. These include the Metropolitan Library Board, the Toronto Transit Commission and, the Metropolitan Board of Commissioners of Police. Also, Metro appoints boards of management to the Canadian National Exhibition Association and the Board of the Civic Garden Centre.²⁹

The structure of Metropolitan Toronto could be explained in much more detail as it has been in numerous texts, in particular Harold Kaplon's Urban Political Systems. However, the above discourse gives the general overview of the system as an example of federation. By all accounts, Metropolitan Toronto is operating smoothly and is considered a success although not flawless. Once again, federation would only be possible where population size warranted two tiers and circumstances made it viable.

There are criticisms of two tiers systems that should be pointed out. Upper tiers are not usually given total planning responsibility with local authorities maintaining control over local land use and development. Only if the regional authority legally adopts a plan must local areas conform to its specifications but, this in only a general way. Details within the community are still controlled at the community level.

Often, representatives on the regional council cannot separate regional interests from local interests and meetings become competitions between areas. The situation that frequently arises is that of the suburbs against the central city. However, if local politicians are excluded from council and members are directly elected,

conflict between upper and lower levels can be severe as the lower level feels that it has no input into area-wide decisions.

Politicians serving on council are also serving at the local level. This, in effect, spreads their time thin. They will usually spend more time in their local capacity, since that is where their support comes from. This situation could result in some negligence to Metro affairs which allows for the development of a stronger chairman, executive committee and senior administrators. This could be a dangerous situation and at the least, it is a perversion of the original idea of upper-tiered government.

Also, there is frequently duplication of services as the two tiers share functions, e.g. water distribution, sewage. If one of the criteria for rating reorganizations of government is reduction of duplication, then two-tier structures would not rate highly in that area. However, this does not mean that two tiers are totally inefficient, but, can have a reduced efficiency level.

Two tier systems, then, have their drawbacks as well as their benefits. They are a popular form of government especially in Ontario where they have been adopted in many areas with the urging of the provincial government. They are, essentially, viable in areas of fairly compact size and large population rather than in large expanses of area. Their flexibility and success rate has made them the most popular form of restructuring in Canada.

The co-operative approach

The co-operative approach of government is not a true re-organization but is a form which large urban areas can assume. It is much more popular in the United States than in Canada, where it is easier to implement than total reorganizations. The area can avoid difficult state legislation as well as attempting to gain voter support via referendum.

Co-operative agreements between local governments or between locals and counties can take two forms. First, there are informal verbal agreements which are usually an exchange of information by administrators. Secondly, there are more formal agreements which are written and, therefore, constitute contracts. These can take three forms:

- a) a single government performs a service or provides a facility for one or more other local units
- b) two or more local governments administer a function or operate a facility on a joint basis
- c) two or more local governments assist or supply mutual aid to one another in emergency situations³⁰

In addition, there are sometimes metropolitan councils established which meet regularly to try to solve common problems of an area.

More and more people and organizations are adhering to this method for various reasons. Chief amongst these, is that it provides a method of dealing with problems on a voluntary basis while still maintaining local autonomy. As well, it is viewed as a foil to the creation of powerful metropolitan governments which

undermine local governmental authority. The system has also been praised for attaining great efficiency and lower costs since it eliminates the necessity of each local government hiring its own personnel or providing facilities for services which it must legally deliver. In essence, it is a pooling of resources.

The system is not without its critics, though. One of the greatest shortcomings of this type of arrangement is the undermining of the planning function in regards to area-wide welfare. Each community does its own bargaining with the county or another community for services which will benefit that area. There is no overall view of a region; each community is essentially self-oriented. A regional planning authority could provide an overall view but they rarely exist and, when they do, they have no power to implement plans.

Thomas Plunkett has pointed out that frequently negotiations are aimed at preserving the status quo. This leaves little room for innovation or improvement of services. If the buyer of services wishes to withdraw from a contract due to poor services or lack of improvement in systems, he may do so but it is a costly procedure.³¹

There are financial drawbacks to interlocal agreements as well. The agreements usually call for money exchange but some areas simply do not have the money resources to fund certain services. This results in sometimes lower quality services being delivered; hardly the equalization of resources that some say is a result of the system. These types of systems *"simply do not produce the equitable solution that the more systematic reorganization schemes call for."*³²

There are no relevant Canadian examples of this type of arrangement. The best known and indeed the original example of co-operation is entitled the Lakewood Plan. It is a series of agreements between small municipalities surrounding Los Angeles County. It arose just after World War II, in response to rapid urbanization and the need for more services. Essentially, county officials saw the destruction of the county government level if the smaller areas incorporated and developed their own services. So, contracts were made whereby the county would provide services to these smaller municipalities without these areas having to undergo any political change. It was a "*functional consolidation without the need for political consolidation.*"³³ In fact, this arrangement encouraged the development of some new smaller cities.

The plan is not too complicated and will not be dealt with in depth here. Each community negotiates with the county for whatever services are required. They may need a total service package or only require specialized services such as: ambulance, helicopter patrol, law enforcement, etc. It all depends on the needs of the community and their financial resources. Payment to the county is through either direct purchase or a special county tax.

It seems to be a relatively straight forward plan and has received some meritorious comments. It does, however, reduce government to the bargaining table which seems to go against the democratic ideal. Nevertheless, some communities may find that the benefits outweigh the drawbacks.

The unitary approach

This method of restructuring is unique and can only be observed in one city - Winnipeg. It is included in this study because of its uniqueness but, more importantly, because Winnipeg first went through two other methods of government before arriving at this method. It can be seen as an evolution of government reorganization and is perhaps somewhat futuristic.

Originally, Winnipeg used a large number of special purpose districts such as the Greater Winnipeg Water District, the Greater Winnipeg Sanitary District and the Metropolitan Planning Commission. However, over time this system proved to be inadequate and unwieldy. After much investigation on the part of the province, a new government form was established in 1960.

This was a two-tier system modelled along classic lines of an upper and lower tier. The upper tier handled area-wide problems and the lower tier consisted of the local municipalities various governments. The administrative structure of the upper tier consisted of an executive director who administered the various committees and departments.

The one divergence from most other two tier governments, e.g. Toronto is that members of Metro council were directly elected by the citizens. While the intention was to elect people who would be concerned with regional problems foremost, the exclusion of local politicians caused conflict. Entrenched opposition to Metro by these interests often left the Metro council with little support.

The problems of fragmented authority and a weak Metro council continued to grow and were largely ignored by review committees. Finally, the provincial government issued a document entitled: Proposals for Urban Reorganization in Greater Winnipeg. It pointed out three major areas of concern:

- . fragmented authority
- . segmented financial capacity
- . lack of citizen involvement³⁴

The basis on which the reorganization was to rest was entitled: Unicity, and consisted of:

It is the view of this government that all major services should be unified but that local government itself - the political process of local government - must at the same time be decentralized... and brought closer to the people.³⁵

Unicity became effective January 1, 1972, and was originally designed to incorporate various features from other forms. It was essentially a large council system on a single level. Plunkett calls it a council-committee-board of commissioners form of government.

The 12 former municipalities were absorbed into one large unified government. They sent representatives to the council which originally numbered 50 but was later amended to 29. The mayor originally was to be elected from within the ranks of the council and would have a relatively strong position as chairman of the Executive Policy Committee. However, the role was re-defined to weaken his position in that he was elected at large and served the purpose of presiding over council. In essence, this served to weaken the whole system.

The Executive Policy Committee originally had 11 members but was amended to 7 councillors. Their purpose is to formulate, co-ordinate and implement policy programmes. They are essentially the nerve centre of the system. The Board of Commissioners, comprised of a chief commissioner and those responsible for environment, finance and works, report only to this committee, thereby placing administrative control completely in this body.

There are also three Standing Committees covering the area of environment, finance and works. Each committee has 11 members elected from the council and responsible to it. The responsibilities of these committees lies in policy recommendations and evaluation rather than management of these areas. This is done by the commissioners.

Two features of the system serve to establish its uniqueness. The first is the establishment of community committees which originally numbered 13 but were eventually reduced to 6. Each committee was made up of the councillors from a number of wards. They were to govern and stimulate involvement. They were to supervise delivery of services and develop information programs for citizens in order to heighten their understanding of government. They were not legislative bodies by any means, but, watchdogs. *"It was designed to bring people into closer contact with government; not to give them a role in making decisions on the local level."*³⁶

The second feature has the same purpose as the Community Committees, i.e. to stimulate citizen participation and proximity to government and are known as Resident Advisory Groups. This body is elected by the Community Committees from amongst its ranks.

Their chief purpose is to assist and advise the councillors on the Community Committees.

The structure of the unitary method, then, is basically not unlike any other single level government except for the inclusion of citizen participation groups. The fact that this form is used to govern a reasonably large and complex urban area, is innovative since single level governments are usually used in smaller sized cities as was pointed out earlier. Also, to reiterate, this method was established after other popular methods had been tried. Could the unitary approach be the next step for large government after the two-tier method? This is possible, but it is also possible that circumstances in Manitoba created a unique structure not to be recreated elsewhere.

Conclusion

The literature of government restructuring is vast and complicated. There are many avenues that have not been explored here which are interesting but not relevant to this discussion. What has been provided is the basics of government restructurings, i.e. the reasons, the methods and the forms that can be taken. The examples used help to illustrate the structures which were discussed.

As has been shown, there are many and varied methods of reorganization. This section has served to provide a review of the literature on the subject as well as investigating forms of reorganization and examples of those forms. The next section of this study will examine a government re-organization in more depth than the examples used thus far.

FOOTNOTES

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²¹Plunkett, "Alternative Forms" p. 2 & 3.

²²1978 figures according to the Government of Ontario.

²³Horan, op. cit., p. 115.

²⁴Bollens and Schmandt, op. cit., p. 340.

²⁵Ibid, p. 341.

²⁶Horan, op. cit., p. 116.

²⁷Bollens and Schmandt, op. cit., p. 342.

²⁸Ibid, p. 344.

²⁹Horan, op. cit., p. 124.

³⁰Ibid, p. xx

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³²Horan, op. cit., p. xx

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SECTION II: GOVERNMENT RESTRUCTURING IN ONTARIO

History of Ontario Reform

Before the case study of Thunder Bay can be done, it is necessary to understand the atmosphere of reform started by the province of Ontario in which Thunder Bay as one unit was created. It was not an isolated incident in Ontario but was part of a program initiated by the province and aimed at making the municipal level of government more efficient and capable of handling modern urban situations. Essentially, the system that emerged was one of regional concerns due to the size of the metropolitan units which were to be organized.

The Ontario system, prior to reform, was an out-dated one which was based on the concept of agrarian life. The county system had existed since the middle of the nineteenth century, and, had not been altered to coincide with growing urban concentrations. *"There has been in reality no innovative structure of local government in Ontario for the 100 years 1871-1971. The county form of two tier structure has been all pervasive. Notwithstanding the fact that the province is no longer composed of mainly agrarian service centres, the structure of local government has not been substantively altered."*¹

The period after World War II saw great increases in urban populations in Ontario. Indeed, it was estimated that by 1951, 55.1% of the population lived in urban centres over 10,000 in comparison

with 16.7% at the turn of the century.² Nowhere in the province was this influx felt more than in the Toronto area. It became quickly noticed that in order to service large concentrations of people, some government adjustments would have to be made. Thus, in 1953, the Toronto area underwent a large re-organization into a two tiered government. (A more indepth look at this structure was given in the previous chapter.) This was, essentially, the first restructuring done in Ontario and it emerged as a very successful one. Its success acted as encouragement for other re-organizations in later years.

Even though this initial success was highly applauded, little more was done in the late 1950's about re-organization largely due to government's sentiments that they should not interfere too widely in local affairs. However, this situation changed in the early 1960's due to the release of some influential reports and the election of John Robarts as premier who determined that the province should take a more aggressive policy towards municipalities.

There were numerous reports on re-organization issued in the early 1960's but, of these, two had the most influence in determining government policy. The first of these was the Select Committee on the Municipal Act and Related Acts (The Beckett Report) issued, in its final form, in 1965. It stated: "*that larger units of local government designated as 'regional' be established with the county as the basic unit.*"³ While the idea of using the county was not adopted and in fact suggested no reform but maintenance of the status

quo, the notion of larger units was accurate and served to back up intentions of the provincial government.

The second report, however, had much more influence in that it was more detailed. It was the Ontario Committee on Taxation report (The Smith Report) published in 1967. It was a report designed to study municipal tax structure but which also included a section on municipal government. The authors of the report felt they could not study one without the other. It, too, recommended a regional approach to government based on two values - service and access. By this is meant, the capability to provide services to the population and easy accessibility to government by that same population. In addition, five criteria for restructuring were listed. These were:

1. Community Criteria - a governmental region should possess, to a reasonable degree, a combination of historical, geographical, economic and sociological characteristics such that some sense of community already exists and shows promise of further development subsequent to the development of the region.
2. Balance Criteria - a region should be so structured that diverse interests within its boundaries are reasonably balanced and give promise of remaining so in the foreseeable future.
3. Financial Criteria - every region should possess an adequate tax base, such that it will have the capability to achieve substantial service equalization through its own tax resources, thereby reducing and simplifying the provincial task of evening out local fiscal disparities.
4. Functional Criteria - every region should be so constituted that it has the capacity to perform those functions that confer region-wide benefits with the greatest possible efficiency; efficiency being understood in terms of economies of scale, specialization and the application of modern technology.

5. Co-operation Criteria - regions should be so delineated and their governments so organized that the co-operative discharge of certain functions can readily become an integral part of their overall responsibility.⁴

These criteria were adopted in the government's policy on reorganization. This policy was stated in: Design for Development - Phase II issued in 1968 by Premier Robarts and the Honourable W. Darcy McKeough, then, Minister of Municipal Affairs. In addition to the five criteria above, three more were added:

First, we shall seek community participation in the formation of regional governments and, where possible, we shall strive to achieve community acceptability of the proposal. Second, we shall seek to have the new regional boundaries, or combinations of them, usable by other institutions. And third, we propose that in cases where there are to be two tiers of government within a region, the smaller units would be designed using the same criteria used at the regional level.⁵

In addition, regional government size was established at an area of 150,000-200,000 people with lower tiers comprising areas of from 8,000-10,000; urban and rural areas should mingle in a regional government; regions could be one or two tiered; two tiered governments would retain extensive responsibilities in the upper tier; special purpose bodies were advised against; and finally, a province-wide reform would be implemented but, rather, each area would be given individual consideration.

Less than one year later, the Ontario Budget and, more specifically, Budget Paper B, laid out a broader framework for municipal re-organization. This document proposed action in the areas of the provincial tax system; provincial aid to local government; local taxation; and local government structure. This illustrates



that Design for Development was really simply an arm of extensive reforms planned by the provincial government.

It appears, then, that by 1970, the Ontario government had defined a clear policy as to local government re-organizations. On paper, this was indeed true, but the guidelines were general ones and, oftentimes, re-organizations had already been started and did not conform to the ideas set out by the province. The reforms, in actuality, were not as comprehensive as they appear at first glance.

There are numerous pros and cons to the Ontario government's policies but it is not the purpose of this paper to investigate them. It is necessary, however, to understand the reformist stance of the provincial government in the 1960's and early 1970's in order to appreciate the atmosphere under which the Thunder Bay amalgamation was initiated.

It must also be noted here that the majority of re-organizations were done on a two tier model while Thunder Bay was not re-organized on this principle. Therefore, the re-organization there is unique considering that two tier structures were, more or less, the norm. With this in mind, an investigation into the Thunder Bay situation will be made.

Background to the Study of Thunder Bay

On September 28, 1965, it was announced by the Minister of Municipal Affairs that a study of the Lakehead area would be undertaken. This was the fourth such study commissioned by the province

in its reform attempts of various areas. Terms of reference were established and Eric Hardy was named 'Special Commissioner' in charge of the study. Its purpose was to study the area and determine necessary changes to create an appropriate governmental framework.

The study essentially focused on two issues which were seen as prevalent in the area. Firstly, a number of municipalities did not have the means to carry out properly government functions and, secondly, the complex system of various ad-hoc bodies which had materialized over the years had created a government structure that was confusing to the citizen. The study pursued these problems and made recommendations as to their solution.

An indepth examination of this study will be made later. It is necessary, however, to briefly look at the history of the area in order that the study and the final outcome be totally understood.

History & Development of Thunder Bay

The city of Thunder Bay lies on the shores of Lake Superior at the mouth of the Kaministikwa River, nestled among the hills of the Canadian Shield. It has grown northeasterly, with the former city of Port Arthur resting on hills while the former Fort William occupies the flatter valley area. The city commands a view of the natural harbour of Thunder Bay giving it its unique position of being the most westerly point on the St. Lawrence Seaway system. After amalgamation, the land area became 156 square miles with a population of 108,000.

The area was originally inhabited by Ojibway Indians until the coming of the French in the early 1600's. They established and abandoned various forts on the same site as their needs dictated. However, it was not until 1801 that any permanent fort was raised on the site of the old Fort Caministigoyan at the mouth of the Kaministikwa River. This was done by the North West Company in its system of fur posts and eventually, the post became the most important in the company's system as it gained recognition as the company headquarters. In 1807, the name was changed to Fort William in honour of the company's governor, William McGillvray.

In 1821, the North West Company merged with the Hudson's Bay Company who had their own fur trade route through Hudson's Bay. Trade was, therefore, altered to that route. The fort lost its importance and went through a period of inactivity. Indeed, if not for Jesuit missions sent to the Indians, the fort would no doubt have been closed.

However, in 1855, the American canal at Sault Ste. Marie was opened making travel to Thunder Bay more accessible. Also, various expeditions had been sent to the area to study its geological possibilities and there was some suggestion of silver deposits in the area. At this time, Robert McVicar, a Crown land agent, built his house at the foot of a rocky hill which, later on, became the site of Port Arthur. In the meantime, the government became interested in developing a system of communication between the lake region and Manitoba and expeditions were sent to investigate this possibility. McVicar's station was used as a stopping point. Finally, in 1866, production of silver began at the Silver Islet mine.

Following Confederation, the notion of communication with the Red River Settlement gained momentum and in 1869, Simon Dawson began building a road to the west. This road was used by a regiment under General Wolseley who had sent to quell the first Riel rebellion. Naturally, he passed through McVicar's station and renamed the area Prince Arthur's Landing in honour of one of Queen Victoria's sons.

In 1873, the provincial legislature grouped together several townships with the village of Prince Arthur's Landing to form the new municipality of Shuniah. Also, for the first time, the area was referred to as the sub-district of Thunder Bay within the district of Algoma. As well, councillors were elected that year from the member townships of Blake, Crooks, Neebing, Paipoonge, McIntyre, McGregor, McTavish, Thunder Cape, Island Ward, North Prince Arthur's Landing and South Prince Arthur's Landing.

Up until about 1875, Prince Arthur's Landing was more prosperous than Fort William due to its closer proximity to the silver mines but also largely because of the harbour. The mouth of the Kam River was shoal-ridden and needed dredging. John McKellar led a long and eventually successful fight to have the river mouth dredged but it marked the beginning of the rivalry between the two settlements. They managed to join forces, however, in 1874 to persuade authorities to change the railway lines from a more northerly route to one which would run through the two settlements. In 1875, the first was turned for the construction of the CPR several miles upstream from the old fort at West Fort William. Prince Arthur's Landing citizens financed and built their own link to this line in 1878 to ensure access to it.

The rivalry sprang up again in the contest for port facilities to handle the grain trade. Prince Arthur's Landing was victorious in convincing the federal government that it was less expensive to build a breakwater in the harbour than constant dredging of the river's mouth. However, while the harbour was the favoured area of transportation, dredging of the river did encourage grain shipment in Fort William and, by 1885, Manitoba grain was flowing through both facilities.

In 1881, the Municipality of Neebing was formed out of the townships of Blake, Crooks, Pardee, Paipoonge, Neebing, McKellar Ward and the islands at the mouth of the river. In 1882, at the request of the CPR, the name of Prince Arthur's Landing was changed to Port Arthur. It became incorporated and was made up of the north and south wards of Prince Arthur's Landing and portions of the Townships of McIntyre and McGregor. With its better rail and port facilities, it became the terminus of the CPR steamers and Port Arthur's future looked very bright.

However, in 1889, a dispute with the CPR over back taxes caused a rift in relations with the rail company. President William Van Horne, who threatened that he would see the grass grow in the streets of Port Arthur,⁶ moved all railroad warehouses and offices to Fort William and made arrangements with the township to build its main yards and shops near the original fort. This, of course, greatly boosted the economy of Fort William and it began to expand more quickly than its neighbouring town. It was incorporated as a town in 1892 with a population of 2,000.

During this period, innovations of the Industrial Age found their way to Northern Ontario. These included electric street railway systems, steam and hydro plants, telephones, newspapers, etc. Port Arthur experienced another spurt of growth when the Canadian Northern Railway located there and in 1906, Port Arthur was incorporated as a city. The following year, after an attempt of annexation by Port Arthur failed, Fort William was also incorporated as a city. It is interesting to note that the federal government at this time, announced a new policy wherein it treated the port facilities of the two cities as one facility indicating that it viewed the area as one unit.

Since 1920, Port Arthur has grown at a faster rate than Fort William but the two cities have developed along similar lines. The citizens of both are mainly of British origin although there are large concentrations of Finns, Italians, Ukrainians and other ethnic origins. Industrially, Port Arthur contains two large pulp and paper mills, several lumber and wood preserving plants as well as the offices of district pulp mills. Ore from nearby Steep Rock Mines is shipped from water front docks as well as the harbour handling St. Lawrence Seaway trade, chief amongst which is grain from the massive elevators located on the water front.

Fort William handles grain shipping, coal and goods merchandise transit. In addition, it holds two pulp and paper mills, an airplane and bus factory, a foundry, an oil refinery, a chemical plant and a machine engineering works. In addition, both areas have attained a reputation of having natural sports facilities in the way of activities related to the lake, skiing, hunting, fishing, etc.

It can be seen, then, that the prime function of the area from its inception has been that of a shipping and transportation centre. It was, at one time, anticipated that it would be the major gate to the west but Winnipeg's growth quickly removed this possibility. A newspaper article reveals this optimism in somewhat flowery language:

Port Arthur will be one of the great cities of the world. The bright bow of promise in flaming beauty spans her skies. Like a royal despot she exacts her tribute from every other point in western Canada . . . Through the whole west every workshop and every golden field of grain are factors of her growth. No titan force can stay her march to greatness, nor rivalry impede her course.⁷

While the two cities maintained their rivalry throughout the years, provincial and federal authorities treated the area equally. If one side received a facility, the other received a facility of equal value.

Merger of the two cities was considered in the late 1950's but a plebiscite on the issue was defeated. It should be noted that Port Arthur voted for the merger while Fort William voted against it. Around this time as well one man, Charles Cox, ran for mayor of both cities simultaneously but was elected in Port Arthur alone. Some organizations, however, did merge to form one unit, most notably, the Chamber of Commerce.

The movement for amalgamation in the 1960's was headed up by and epitomized in the person of Saul Laskin. Having grown up in the twin cities and later entering politics there, he experienced first hand the intense rivalry of the two cities which were, in essence, "*cutting each other's throat*". He described the rivalry

as being based on the attitude of "*anything you can do, I can do better*". Unfortunately, in the final results, both sides suffered in getting little done.

Mr. Laskin described several projects which he, as mayor of Port Arthur had proposed be attempted as joint projects between the two cities for their mutual benefits. Some of these were a regional composite school for native children, urban renewal and, a bridge crossing the river to join a new industrial area to Fort William. In all three cases, he was flatly refused co-operation by the officials in Fort William. These cases have been mentioned to illustrate the politics of division that existed between the two areas. Mr. Laskin, however, was becoming increasingly concerned over the lack of growth and the scarcity of funds of the other levels of government. His sentiments were shared by many others.

Concern, then, over the two areas joining was building as it was felt that the two could operate more efficiently and effectively as one. This concern came to a head in the 1960's when the two cities requested a study be done and recommendations be made as to government re-organization. This study is examined in the next section.

As the earlier discussion on reform in Ontario has shown, the provincial government was eager to participate in this reorganization as it highly complemented its program of local government re-organization. It was felt that the time had come for the historical dual growth of the area to be altered into a more cohesive program.

FOOTNOTES

¹Lionel Feldman, Ontario 1945-1973: The Municipal Dynamic, Toronto: The Ontario Economic Council, 1974, p. 7.

²Ibid, p. 7.

³Ibid, p. 14.

⁴Ibid, p. 18.

⁵Design for Development: Phase 2, Legislature of Ontario: Statements by the Honourable John Robarts and The Honourable W. Darcy McKeough, 1968, p. 9.

⁶Author unknown, "Van Horne Makes Good his Tax Dispute Threat", The Lakehead's Colourful Past, May, 1976, p. 17.

⁷Times Journal, December 12, 1925.

SECTION III: THE RE-ORGANIZATION

The Lakehead Local Government Review

Background -----

As was stated earlier, this review was commissioned in September 1965 with Eric Hardy at its head. It was commissioned by the Minister of Municipal Affairs and backed by the Cities of Fort William and Port Arthur and the Municipalities of Neebing, Paipoonge and Shuniah. Its purpose was defined in the review as the following:

The purpose of the Lakehead Local Government Review has been to examine the existing arrangements for local government throughout the greater urban areas centred upon the twin cities of Fort William and Port Arthur with the object of determining those changes that seem essential or desirable to provide a framework of government that will permit or indeed facilitate the provision of local government services to meet the foreseeable future needs and desires of the Lakehead community.¹

Hardy adds, however, that the terms of reference given by the province imply an investigation of the entire northern region. He does examine this as well as the city area and divides his report up accordingly into metropolitan findings and recommendations and district findings and recommendations. For purposes of this report, only the metropolitan area will be investigated closely with district findings being given a cursory look.

As outlined in Hardy's opening pages, he states the difference between commissioning a study for change and simply

applying to the Ontario Municipal Board for required changes. He states that, if by commissioning a review, a government hopes to rally public support they will be greatly disappointed as reviews invariably undergo great criticism. He adds, "*for a report to become the immediate rallying point for united action would be a remarkable result and especially so in an area like the Lakehead shore, from beginning to end of the Review process, the Commission has been made aware of local community cleavages.*"² That these cleavages are as apparent as to be noted specifically implies that they are deep and not easily healed, as will be seen.

A short history of events from the beginning of the review to its conclusion is given. Emphasis is placed on public hearings held, public appearances by the Commissioner and general opportunities given to the public in which they could state their viewpoint. As well, all meetings with city officials are documented to illustrate that the review was done in co-operation with them and not in a vacuum.

Hardy also points out that his recommendations fall into three categories:

- 1) those he deems essential
- 2) those that are desirable, and
- 3) those that merit consideration but are not strongly urged.

Land Use and Population

The Review moves on to investigate the situation in the Lakehead to determine where the problem areas lie. It is noted that, even though the two areas have undergone simultaneous growth and development, *"the striking fact is the degree of physical separation that still remains."*³ There was no sharing of physical services yet there did exist some agencies which had jurisdiction over both cities. These included the Regional Conservation Authority, the Northwestern Regional Library Board, the Lakehead Planning Board, the Children's Aid Society, etc.

Land utilization further aided in creating this delineation of areas. There existed a lot of land that lay undeveloped that had potential for development especially in the area between the two cities known as intercity. It was largely bogland and contained railway and spur lines to the harbour and some residential development. Strip commercial development was also present but only along the major artery connecting the two cities.

An Interim Report on the Downtown Urban Renewal Scheme for Port Arthur noted that there existed a remarkable duality between the two separate business areas and that this would continue for some time. It was also noted that great potential lay in the intercity area for development. *"The intercity area is unusual in being geographically more central to the whole metropolitan area than either of the two traditional business centres and thus in a*

*favourable position to develop as a multi-function business centre."*⁴

It is interesting to note that only now, eleven years after amalgamation, is this idea becoming a reality.

The location of Lakehead University served as a further divisive factor since it lay between the two cities and slightly closer to Port Arthur. It was seen as halting development of the two cities so that one cohesive unit of development was impossible to create. On the other hand, the position of the university could be advantageous as it could foster new housing for staff and students, draw other institutional developments and perhaps some commercial ones into the area. The natural park-like setting was viewed as beneficial to development and it was suggested that this area could become a strong focal point of the cities.

Areas surrounding the two cities were regarded as problem areas as well. A four block area lying northwest of the Port Arthur boundary in the Municipality of Shuniah known as Jumbo Gardens was pinpointed as one of these areas. It was not provided with a community water supply, a sewage collection system nor any fire protection except that gained from Port Arthur on a compassionate basis. The municipality could not shoulder the expense of installing these services and therefore were in favour of extending city boundaries to include approximately 3,154 acres of Shuniah. The city was quite agreeable to this notion.

Fort William, by virtue of certain restrictions, had developed in a westerly direction into Neebing township in the northern part of Neebing Municipality. Existing there were residential de-

velopments (once again, with no water or sewer services), the airport, railway lines, the huge Great Lakes Paper Mill and the Dow Chemical plant. Piped water was made available to these large concerns as well as to some residential lots. However, in order to accommodate other residents, a water agreement with Fort William was made in 1966 but it proved to be inadequate to service the number of residents living there.

The southern part of the township contained a smaller number of residents, highway commercial development and a provincial industrial farm. If the area did not receive community water, then development would have to stop yet it was anticipated that pressure to develop would be exerted since a new expressway would make the area more accessible and development desirable.

Generally speaking, both Neebing and McIntyre townships were catchment areas of urban overflow from Port Arthur and Fort William. They were, therefore, integral parts of the Lakehead area yet they could not provide proper services for their residents. It was their proximity to the two urban areas and need for services which make them seem obvious choices for inclusion in the urban area.

In Port Arthur, development further out in McIntyre and McGregor along the lakeshore consisted of summer cottages owned by city residents. There was little year round occupancy and, therefore, inclusion of this area in the city limits was considered remote.

In Fort William, there was little occupancy in the outer townships except for Oliver and Paipoonge which contains three small

villages - Murillo, Kakabeka Falls and Roslyn Village. These three areas were under control and did not envisage any great growth in the near future. Farther out than these areas, there were only scattered settlements whose residents were attracted to the urban area for shopping, health services, etc., and, it was not seen that this situation would change much in the future.

Population growth was seen as static or declining over a number of years. It was felt that unemployment rates were a cause of this situation and, therefore, a small examination of unemployment was done by the commissioner. Among the reasons found for a large amount of unemployment was low educational levels, unwillingness to learn a skill, age and increased automation in some of the primary employment areas.

The vast array of primary industries and potential for expansion and, therefore, increased employment are specifically mentioned and are worth reiterating here:

The twin cities have a strategic location at the head of the Great Lakes for the receipt of rail shipments from western Canada by both the Canadian National and Canadian Pacific Railways. The Lakehead contains 26 grain elevators, a new ore dock and modern harbour terminal facilities. It is the third largest tonnage port in Canada and the largest grain port in the world. The metropolis can boast 5 very large pulp and paper mills.⁵

In addition, the province of Ontario designated the Lakehead as a slow growth area thereby making secondary industries eligible for interest free loans up to one-half million dollars. This was further incentive for growth.

This paints a prosperous and encouraging picture for the Lakehead yet, its population was declining and unemployment was high because industry was not coming in to settle. One of the major causes for this was that the two cities were in constant competition with the other. The review states that "*the growth of the Lakehead has been retarded by the division into twin cities.*"⁶

Services

Since part of the aim of government re-organization is to make city services more efficient and of higher quality, it is necessary to examine the findings of the review as to existing services. This will be done department by department.

- Sanitary Sewage System

As was noted earlier, only the two cities had sewage systems while the rural municipalities operated septic tank systems. Port Arthur had designed its system so that it could be extended to McIntyre but this had not been done due to McIntyre's financial inadequacies. Both cities had relatively new treatment plants which stood practically side by side and it was seen as highly desirable that the cities integrate the plants so that both were served by one.

- Water Supply

The two cities had separate water systems both of adequate size for that time. Port Arthur drew its water from Lake Superior

and, therefore, had no fears of shortage of supply. The system, however, would have to be enlarged if the city grew.

Fort William drew its water from Lock Lomond but there were concerns of this being an inadequate supply if demand grew. In light of this, it was considered necessary by the Ontario Water Resources Commission that the two systems investigate integration and expansion of the Port Arthur system to accommodate any increased demand. Quality of water was not an issue.

- Roads

The prime problem in this area was that all traffic had to go through both downtown areas leading to congestion. A Traffic Planning Report was carried out by a private firm which recommended an expressway with new roads connecting intercity and the downtown areas. However, the plan was revised to reduce cost, especially to Port Arthur, but also did less to reduce traffic problems. It essentially created bypass routes which were not as effective as the original plan. The review questioned if this would indeed have happened if the area had been one city, since it appeared that Fort William was reluctant to spend money on roads that improved intercity, which lay largely within Port Arthur.

- Transit

Both cities operated their own transit systems which consisted of buses and trolley buses. Fort William provided some service to Neebing while Port Arthur did likewise for McIntyre. However, neither city offered service to the other and both turned back at an intercity exchange point making it necessary to take two buses if one wished to go from Port Arthur to Fort William. Obviously, merger

of the transit system was seen as desirable.

- Education

Only the Port Arthur Board of Education, Port Arthur Separate School Board and teachers of the five municipalities gave their views to the review commissioner. It was felt by all three groups that merger of the two cities' educational systems could only prove beneficial. It would reduce costs, provide more capital for better resources, provide each other with services which one side had and the other lacked (e.g. Port Arthur had a psychological testing system while Fort William did not) and provide a better opportunity to attract suitably qualified teachers to the Lakehead.

- Parks and Recreation

Officials from both cities presented reasons for the desirability of merging the two departments. They felt that park requirements for the urban areas, as a whole, were essential to prevent good park areas from being developed for residential or commercial uses. A prime example was given of a park which could be joined up with the university site. It was between both cities and provided easy access by Shuniah and Neebing residents yet Port Arthur had zoned it for light industrial.

It was felt that duplication of services and facilities could be avoided as well as costly equipment being shared.

- Police

As well as both cities maintaining a police force, the Ontario Provincial Police policed the rural areas. However, it

was felt that this situation should not remain since the OPP operated at provincial expense and policing was essentially of a local nature.

The area of policing was one of conflict. The City of Port Arthur expressed enthusiasm of the idea of merger of the two departments especially in the creation of a central record and communications system. However, opposition to the merger came from the Chief of Police of Port Arthur who could see no advantage in the move. A theoretical case for merger was given by the Ontario Police Commission which pointed out benefits of increased strength of the force and more specialization of services.

The review concluded that while, generally, merger was opposed in the city and might not have too many immediate advantages due to the cities duality, there were benefits which could be accrued.

- Fire

Both cities operate their own fire departments and aid each other in the event of a serious fire. Neening established its own small fire department staffed by one permanent chief and twenty-one volunteers, a set-up which functioned quite efficiently. McIntyre, however, had no fire protection system of its own and relied on individual property owner contracts with Port Arthur. This system did not work well and essentially left that area with no fire protection. The review concluded that fire protection was a metro -

politan problem that should be solved through concerted efforts by the total metropolitan area.

- Garbage Disposal

Port Arthur and Shuniah were sharing each other's systems which were an incinerator in the former, and a dump in the latter. Both were deemed offensive and unsatisfactory. Fort William was also using an older model of incinerator which was not appropriate. The need for one method of disposal used by both cities was emphasized.

- Libraries

It was felt that merger of the two libraries could only result in increased benefits for the citizens using the service.

- Planning

Planning was shared by six agencies - the Lakehead Planning Board and planning boards of each municipality. This led to the situation where each of five municipalities had their own Official Plan, zoning by-laws, sub-division control by-laws and building by-laws. The confusion that resulted is evident. While the advantages of the adoption of a central planning body were not questioned, designating the Lakehead Planning Board as such was queried. It was felt that it did not take enough initiative or leadership in local planning issues.

- Other Services

There are, of course, other services which the city provides for citizen use. However, those mentioned give a clear indic-

ation of the attitudes of key city departments concerning the merger as well as the conditions that existed.

- Government Structure

While this is not included in the review, it is necessary at this time to interject on the political structure of the two cities. Fort William had a city manager or administrator who was accountable to the council. Port Arthur had a mayor - council administration which headed up sub-committees. Generally, committee meetings were open to the public in Fort William and closed in Port Arthur. This led to an image of strength and solidarity being attached to the Port Arthur government while bickering and division were characteristic to the Fort William government. This was due, in part, to their more public image.

Scale of Operation

The review dealt quite extensively with economies of scale to be realized from government restructurings. The basic premise is:

As long as a government service can be organized to make volume an advantage, economies of scale should result. . . The growing economies of scale may be increasingly offset by an increase in such costs which is proceeding at a faster rate than the rate of growth of services. Eventually, the point can be reached where economies of scale disappear and what are called dis-economies of scale take over . . . For this reason, no one can guarantee that an increase in size will in fact produce dollar savings, better services or both. There is wide-spread recognition, however, that within limits an increase in the scale of operations will make benefits of both kinds possible.⁷

- Easier to spot weaknesses and take corrective measures with larger staff.
- The larger you are, the easier to maintain staff because of better budgets.

145. It was evident that, in the replies from the five cities, benefits of scale were recognized among all the major departments of government. Some of the more informative comments are reproduced below.

Clerk's Department—We are able to assign special individuals to spend most of their time on special aspects of the work, for example, vital statistics and committee of adjustment.

- During time population more than doubled, office staff increased from three to five.
- The sharp increase in population has compelled an improvement to the administration through new and improved procedures.
- Can supply a number of central administrative services.

Treasury—50,000 population doesn't warrant electronic data processing equipment where 100,000 does.

Police—Merger of specialized fields such as the identification function would improve quality and undoubtedly decrease the cost.

Fire—A large department gives a better reserve in case of major and/or successive fires.

- Need for own maintenance staff because fire-fighting equipment is specialized.
- Specialized equipment can be maintained and repaired with least possible delay.
- Larger department can maintain permanent instructional staff and facilities.
- Both home inspections and familiarization inspections now possible in all buildings and areas.

Roads and Sidewalks—Better, more diversified equipment, better flow of equipment from job to job; more private contractors and equipment renters attracted to seek city contracts.

- More extensive specialization by using same basic corps of men and varying their duties to retain them on staff during slack season.

- Improved repair and maintenance facilities.
- Larger, more diversified fleet of machinery with workmen skilled in many fields lends itself to more efficient operation with resultant quality improvement.

Street Cleaning—City owns two street flushers, if one breaks down, the other can maintain service on an overtime basis. A smaller municipality with one flusher would be immobilized.

Sewage Collection and Disposal—Larger treatment plant does not require increase in operating staff proportional to increase in treatment capacity.

- Employment of lab technician and construction inspectors possible.

Garbage Collection and Disposal—Contemplating hiring a professional engineer specializing in waste disposal.

- Professional engineers specializing in this work are available to assist in the operation and updating of it.
- We are presently purchasing a sanitary landfill site land compactor specifically designed for this operation and justified by our increased population.

Traffic Control—A larger operation allows the division of staff into separate groups by function, thus providing more specialization and more efficient operation.

- Machinery is used a greater percentage of the time, thereby advantages of owning as opposed to renting.

Transit—Longer bus routes and rides require larger vehicles; more and better maintenance tools are warranted.

- Larger buses are more efficient and can be utilized fully on larger property.
- There would be some advantage in personnel —one general manager, one maintenance supervisor, one operations supervisor. However, it still takes one man to operate one bus.

Street Lighting—Doubling the size makes full use of staff rather than partial.

- Staff has not increased. More modern equipment used.

g—Can just maintain an adequate numerical staff at present population. Too small for continued need of specialists—thus use of consultants more economical and quicker.

arger staff can provide more specialization assigning projects.

sitions can be offered to more experienced applicants. Ability to pay salaries demanded competent staff is difficult for small cities.

g Permits and Inspection—Specialization very important for efficient operation.

quirements for well staffed department include either a professional engineer or a registered architect backed by at least one and preferably two other professional men so that jointly they may cover and understand all the disciplines involved in the design and location of buildings. Under them, in two groups, architectural or engineering technologists and/or well experienced building inspectors—the group responsible for enforcement, the other for inspection of mechanical installations.

gnificant savings in building costs can result from design of smaller civic buildings by departmental staff.

city—In a few cases, specialized equipment is purchased which would not otherwise be arranged.

he larger utility has very many advantages. It has cut out operating costs per customer very markedly.

own maintenance—this definitely a very large saving.

and Recreation—Have own garage, separate from other civic departments. We have enough machinery and equipment to warrant this.

Ve can afford some specialists, but not to the degree that say Toronto or Montreal could.

Radio communications can save many valuable hours and saving is effected by this means.

Libraries—There are many other advantages in serving a larger population than those indicated in the questionnaire.

—The Canadian Library Association standards for public libraries state that a population of 50,000 people is a minimum base for any kind of adequate library service.

—A larger population would enable the library to enlarge its reference sources, make greater variety of books and films available, and would enable the library to hire more professional librarians and offer a more complete service. Buying books in larger quantities enables the library to obtain higher discounts.

—Two copies of the same book could be catalogued once rather than twice.

—More opportunity for experience in a larger system, so will have better chance of attracting qualified librarians, of which there is a great shortage in Canada.

—Better distribution of work between clerical positions and professional.

—Small community cannot afford such equipment as Xerox, laminator, microfilm readers and machines used for charging out materials.

—It is more difficult in the larger system to obtain the more productive use of staff—however, if you have good staff you may obtain marvellous results.

Legal—The full-time solicitor is constantly available to staff members who might not make use of a solicitor retained on a fee for services basis. The full-time solicitor is fully and readily available to the elected representatives.

—There is no room for second-class service. Thus the cost of salaries, office space and library will dictate an irreducible minimum cost of operation.

—Better opportunity for specialization. Specialization would increase their rate of productivity.

Personnel—The personnel department has provided a central point for recruitment. It has eliminated charges of patronage or favoritism in hirings and has acted as professional advisor in labour negotiations.

—Unless the personnel and industrial relations functions of the total municipal operation are centralized, or at least co-ordinated by one agency, the resulting segmentation causes

employee relations to deteriorate and permits organized labour to play one body against the other.

Central Purchasing and Stores—Buyers, store-keepers and accountant are fully employed. In a small organization, they would probably have to do several jobs and probably be less efficient.

- The staff have been assigned a specific area and are somewhat removed from the office pool which has created an esprit de corps. Discipline improved substantially.
- The unit cost of warehousing a large inventory is less than a small.
- There is also a saving in freight charges.
- A central warehouse is economically practical in a large organization and results in better control. Stores should not be administered by a using department.
- Machinery (automation) is only warranted if the stores operation becomes large enough to offset the cost of machinery by savings in labour. Saskatoon reached this point in 1966 and our stores operation is automated.

FULL OR PART MERGER

146. In order to elicit local opinion, the Review issued a Statement of Alternatives that included a federated or two-level system of government. This option was favoured by a number of persons who accepted the desirability of unifying certain public services, at least throughout the two cities, but who hesitated to back a twin city amalgamation. The Lakehead teachers, for example, thought that school services could in part be merged and in part left under separate jurisdictions. The Fort William City Council put in a brief for discussion without committing the members to its terms: the brief proposed a federation and some councillors indicated personal support for such an arrangement. Hence, the consequences of establishing a metropolitan federation for the Lakehead should be clearly recognized by the proponents of this plan.

147. At the present time a number of local government services are being operated throughout much wider territories than the Lakehead metropolis. Among such services are health, homes for the aged, child welfare and, most recently, assess-

ment. If district services should be continued and co-ordinated, the formation of a Lakehead federation would necessitate either the withdrawal of the Lakehead area from participation in district services or the establishment of a three-level structure of local government. Such an arrangement has not been permitted to develop elsewhere in the Province. When the Municipality of Metropolitan Toronto was created, Metro took over services formerly provided by the county throughout the twelve suburbs and thus avoided entering upon a three-level local government system. Joint arrangements were of course made with the county for suburban roads and for administration of justice, the latter a local responsibility that will soon come to an end.

148. The Lakehead metropolitan area is certainly large enough in population to provide health, welfare or assessment services without including population elsewhere in the district. Yet that is but one side of the coin. Without the Lakehead, the rest of the District would find the service potential afforded by a larger unit of administration seriously weakened. Its only alternative means of procuring services that benefit from mechanization and professional specialization would be either by contract from the Lakehead, as put forward in the Report of the Ontario Committee on Taxation¹⁶ or by becoming outposts of other larger units to the east and west.

149. A parallel to the contract method of obtaining local government services lies in the school jurisdiction without a school. The Department of Education permitted a number of high school districts and elementary school jurisdictions to procure services in this manner. The device was recognized as an inferior alternative to the larger unit capable of operating its own school system and, as of January 1, 1969, it will find little place in the school system. Likewise, the Ontario Committee on Taxation has acknowledged that it is preferable to include territories within operating units of regional government wherever this can be accomplished and the criteria for maintenance of suitable units of government can be met.

150. The Report of the Ontario Committee on Taxation also considers the number of levels of

¹⁶Volume II, Chapter 23, Page 536 et seq.

In order to determine to what point these statements were true, the review commission formulated a questionnaire on economies of scale and sent it to six communities. Five responded - Kitchener, Regina, St. Catherines, Saskatoon and Sudbury. The process and results from each department are lengthy and pertinent comments can be found in the excerpt from the review in the following pages. Let it suffice to say that, generally, benefits of scale were recognized by the five areas to a small degree. Since all these areas are in the 50,000-100,000 population range, this coincides with the findings in the first chapter of this study which discovered that cities within this size range would benefit somewhat from economies of scale. Anything larger, rarely experiences any benefits.

Local Government Financing

The review acknowledged that any change in government and boundaries would affect the financial foundation of the area. To what extent this would happen, was not made clear nor was a guess attempted. However, each area of local finance was reviewed.

With respect to assessment, it was found that Port Arthur and Fort William were very close. Total taxable assessment per capita would change very little if the two cities were to merge. Assessment of the two cities plus Neebing and McIntyre produced little change from the previous position as well.

An examination of debt showed Port Arthur slightly more bur-

dened than Fort William but only to a negligible degree. In comparison, debt in the rural areas was small.

Port Arthur was found to be spending more than Fort William, \$167/capita tax levy in Port Arthur in comparison to \$157/capita in Fort William. However, Port Arthur spent considerably more on education than Fort William, thereby, justifying the expense. Any government restructuring would have to re-organize spending areas, according to the review.

As far as grants were concerned, there would be no drastic alteration in their availability. Roads grants by the province to McIntyre and Neebing would be lost if these areas were included in the city's jurisdiction but the loss would be neither immediate nor drastic. In addition, unconditional per capita grants would experience a gain of \$35,000 per year.

There was found to be a vast difference between the two cities in the area of exempt properties. Fort William showed \$9 million in exempt properties while Port Arthur showed \$40 million. If these were ever legislated as non-exempt (which was recommended by the Ontario Committee on Taxation), Port Arthur would be in a position to greatly increase its revenue.

The Municipality of Shuniah was experiencing difficulties with exempt properties. The university and college had both bought large tracts of land in the municipality and the fact that these properties were tax exempt had greatly reduced Shuniah's already small revenue.

The major area of concern lay in additions of land to the city from McIntyre and Neebing. McIntyre's assessed value was very low in relation to that of the two cities. Neebing, on the other hand, had a value four times as much as McIntyre and substantially above that of the cities. *"In short, an annexation from Shuniah would carry with it a serious financial loss; an annexation from Neebing would bring a considerable financial advantage."*⁸ Neebing's great assessment strength lay in the Great Lakes Paper Ltd. property and the Dow Chemical Ltd. The assessed value of the two stated by the review was \$6 million.

This created an inequitable situation. On one side, there was an area which was of little tax value while on the other, there lay an area of great value. Annexation of either area by one of the cities was considered out of the question, but, an alternative plan of the two merged cities including these areas was seen as feasible.

Public Attitudes

It would be unthinkable and irresponsible for any review to investigate government change without examining the views of the people affected. The review commission experienced the following reactions.

The City of Port Arthur supported full merger while the City of Fort William proposed metropolitan federation of the urban

area including parts of Neebing and Shuniah. Neebing and Paipoonge opposed any major change while Shuniah supported a two tier system embracing the five municipalities of the area.

The organizations supporting full merger were the Lake - head Chamber of Commerce, the Fort William/Port Arthur and District Labour Council, the Lakehead Social Planning Council, the Lakehead Branch of the Community Planning Association of Canada and Lakehead University (who also supported the administrative district notion). The Lakehead Planning Board supported some form of merger of a type unspecified while Lakehead teachers were in favour of metropolitan federation. Private meetings with the commissioner of groups and individuals revealed support of full merger at least two to one.

Eight submissions by individual citizens were presented. Their stands were one for the status quo; one retaining the cities with annexations; two supported amalgamation of the cities with no enlargement of boundaries; four supported total merger.

Two newspapers existed in the area - one in Fort William, one in Port Arthur. They both stood out as opponents of amalgamation and it was noted that *"the two papers would seem in some ways to constitute a continuing divisive force within the Lakehead community."*⁹ By this was meant that each paper served only to report on happenings in the city in which it was printed and completely ignored events in the other side of town. Circulation of one paper in the other's area was practically non-existent. It was concluded that merger would be the cause of a great upheaval for these two dailies. Mr. Laskin, in an interview, especially noted the opposition of the two papers to amalgamation.

The idea of amalgamation was not a new one to the area, as was noted earlier. The question was how would it be accepted by the people living in the area. It was noted that, even if opposition were to occur, it tends to fade quickly. It is interesting to note that the review specifically warned against putting the question to a referendum vote. In light of the earlier investigation of this, Hardy was obviously attuned to the problems involved in a vote taking place. He did, however, recommend that the choice of a name for the area be made by the people.

District Considerations

It was mentioned earlier that the review contained both metropolitan and district findings and that the district findings, being of less importance to this study, would only be given a very brief examination. In fact, only those areas of importance which have district wide jurisdiction will be mentioned here.

- Health

There were basically two health units based in the twin cities but their jurisdiction was much larger. The Fort William unit took in seven municipalities and unorganized territory west to the district boundary. The unit in Port Arthur included six municipalities and territory north to Lake Nipigon and along Lake Superior to Schreiber. Other areas were serviced by part-time staff. At the time of publication of the review, the two Lakehead units were looking seriously at merger.

- Child Welfare

As of January 1, 1968, child welfare services were administered by the Children's Aid Society which had jurisdiction throughout the entire district.

- Homes for the Aged

The review discovered that Port Arthur and Shuniah ran one home while Fort William and six western suburbs ran another. Remaining municipalities had formed the Thunder Bay District Home for the Aged in 1965. This arrangement worked well as there was an intermingling of services.

- Emergency Measures Organization

Port Arthur, Fort William and surrounding areas joined their organizations in 1965 to form the Thunder Bay Emergency Measures Organization.

The Recommendations

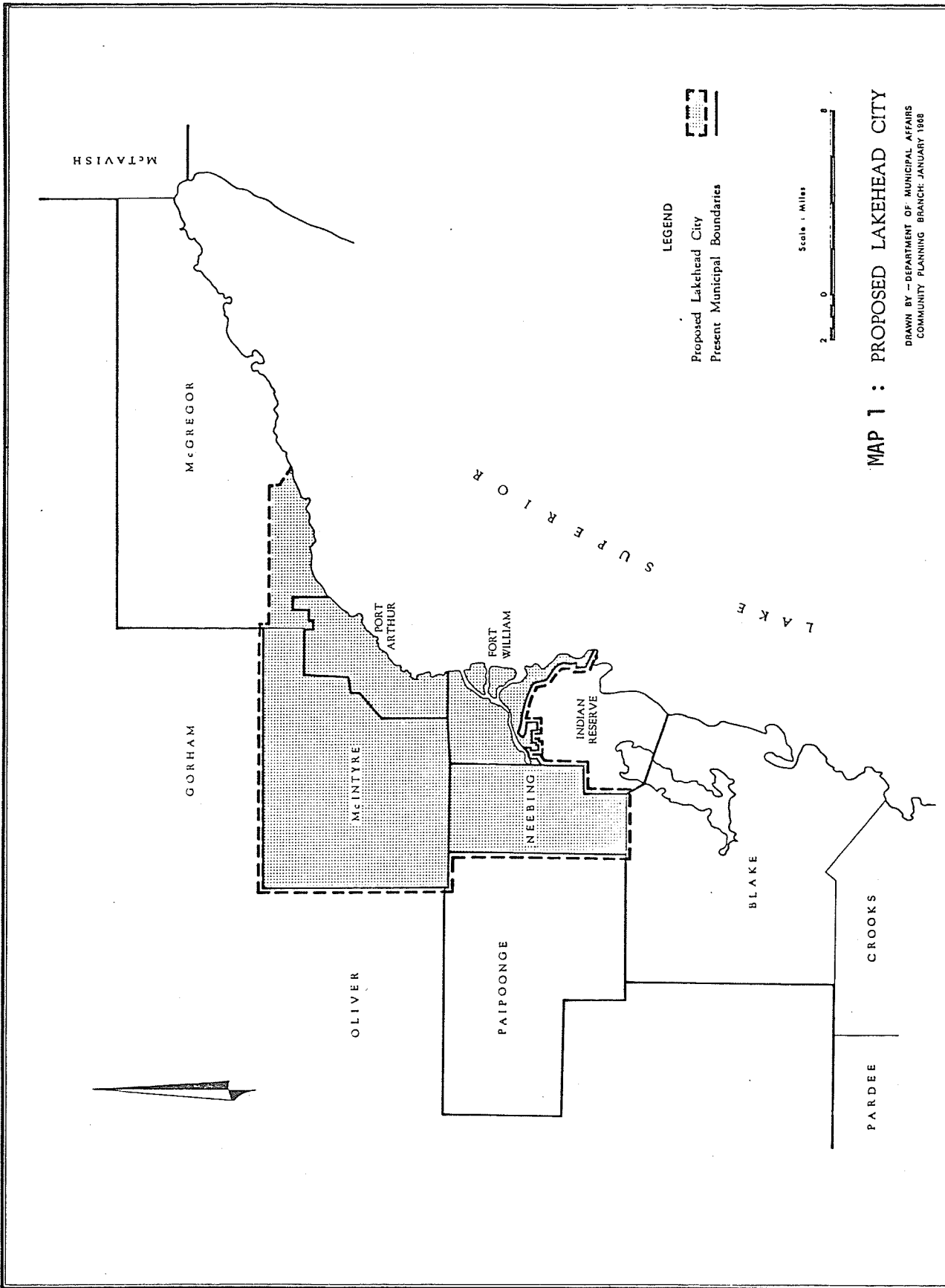
The review commissioner realized that this section would be one which might meet with opposition and he tempered his conclusions with some opening remarks. He states that he did not advocate change for the sake of change and he did not wish to sever the average citizen's strong relationship with his/her government. However, he felt change was necessary for progress. He anticipated opposition from existing municipalities which would be fighting for survival but said this must be overcome if change was to be effective.

He pointed out some of the major areas of concern that needed change. Firstly, services in the two cities had grown separately yet,

they were alike. They were not cohesive systems and, therefore, were lacking in efficiency. The outlying regions, because of boundary restrictions, did not receive services. Secondly, the two municipalities closest to the cities and, therefore, subject to annexation were at opposite ends of the scale tax-wise. Neebing was a wealthy area while McIntyre was not and it was Hardy's contention that citizens should share the benefits and problems of both areas. Thirdly, competitive tactics of the two cities could only serve to impede growth in an already slow growth region. Fourthly, he felt some economies of scale were to be found in a pooling of resources. Fifth, he rejects a federation type of government as not having enough depth for a smaller centre. Sixth, he urged new boundaries be set covering a side area so that there was room for future development. Seventh, he rejected the usage of the Lakehead Planning Board as a municipal planning body but, suggested it be used on a wider territorial basis.

With these points in mind, the pertinent recommendations made were:

- 1) the Cities of Fort William and Port Arthur and adjacent territories from Shuniah and Neebing be merged to form a single city,
- 2) the boundary be drawn so as to enclose the entire Township of Neebing, McIntyre and a strip from McGregor Township running approximately five miles from the present easterly boundary of Port Arthur,
- 3) a proposal for equitable tax and service differentials be made an essential feature so that outer areas were not paying for services which they did not receive,
- 4) the new city exercise full planning responsibility for the urban area with no extra-territorial jurisdiction,



Source: Eric Hardy, Lakehead Local Government
Review: Report and Recommendations, March II, 1969, p. 87.

- 5) the Lakehead Planning Board select new names for the city which would be finally chosen by referendum,
- 6) the establishment of a district municipality with jurisdiction in the approximate area of the existing District of Thunder Bay,
- 7) in order to monitor the number and functions of local service boards, they should fall under the jurisdiction of the district municipalities,
- 8) the remaining portions of Shuniah and Neebing were not included in amalgamation but would fall under the jurisdiction of a local service board.

These, then, were the major recommendations made by Hardy as to the re-organization of the Lakehead area. However, he also made recommendations as to the form government should take and some steps toward implementing change. In point form, with some qualifying remarks, other recommendations were:

- 1) the council include a mayor and deputy mayor, each nominated at large and elected by general vote and twelve aldermen, five to be nominated and elected from each city, one from McIntyre and one from Neebing. Electors from all parts of the city would be entitled to mark aldermanic ballots for all four wards. This system is one where electoral wards do not exist as it was felt that such wards would only serve to deepen existing divisions. Candidates for alderman, however, compete only with other candidates in their particular area but are elected on a city-wide vote. This approach theoretically eliminates aldermen stressing ward interests too heavily,
- 2) he suggested triennial elections,
- 3) the city employ a city administrator who would be under direct council control. The administrator system was chosen by the commissioner as he felt it kept all matters of importance within view of the council as the Chief Administrative Officer was dependent on the council for his position. He also saw a reduction in special purpose bodies and the use of committees,

- 4) he suggested that council consider all business first in meetings closed to the public and later in open meetings. This was a situation which already existed in Port Arthur and Hardy approved of. He saw it as an atmosphere more conducive to openness and the conducting of business.

In order to implement the recommendations, the major steps Hardy suggested were:

- 1) that four types of legislature be enacted, these being an Act establishing a Lakehead city, legislature creating a district municipality, legislature providing for local service boards and legislature to provide more generous road grants in areas within the enlarged city lacking full urban services,
- 2) that the Act creating a new city make special provisions relating to the territorial limits of the new city, the fate of residual areas in Neebing and Shuniah, the form of organization of the city and suitable provision for an urban service line or lines as the basis of tax and service differentials,
- 3) legislature to create the District Municipality of Thunder Bay specifying its jurisdiction.

With these final recommendations, Hardy drew his report to a close. His closing remarks reveal that he had truly gained an insight into the problems of the area. He says, "*The prime responsibility for action arising out of the Review is returned now to the people of the Lakehead and the District of Thunder Bay. The difficult work is about to begin.*"

FOOTNOTES

¹Eric Hardy, Special Commissioner, Lakehead Local Government Review: Report and Recommendations, March 11, 1968, p. 11.

²Ibid, p. 13.

³Ibid, p. 18.

⁴Second Interim Report, Downtown Urban Renewal Scheme for Port Arthur, Ontario, prepared by Proctor, Redfern, Bousfield and Bacon, December, 1966, p. 3.

⁵Hardy, p. 26.

⁶Ibid.

⁷Ibid, p. 39.

⁸Ibid, p. 53.

⁹Ibid, p. 57.

SECTION IV : THE ENACTMENT OF REFORM

Hardy was indeed right as to the difficulties just beginning. Public reaction and debate best illustrates how area residents and politicians reacted to Hardy's proposals and to the bill that made the amalgamation a reality. The following are excerpts as to the referendum debate:

Saul Laskin: "If you're for it (amalgamation), what do we need a referendum for?"

"Mayor Ernest H. Reed of Port Arthur says that while he is not "100 % sure" the chosen approach to amalgamation is the proper one, there would have been enormous, if not insurmountable difficulties, to wording a plebiscite because recommendations range far beyond the single question of uniting two cities." (Interestingly, at a later date, he demanded a plebiscite.)

President of the Chamber of Commerce, "As a long-time resident, I am absolutely convinced we have exhausted a fantastic amount of energy simply by fighting with each other."

A month after these remarks were published, there were further demands for a plebiscite made by unions and some local politicians. Darcy McKeough's answer was a definite no to these requests.

The following reactions of city aldermen to the first reading of the bill to create a new city:

Grace Remus: "The bill is pretty well set out according to recommendations of the intermunicipal committee. I will agree there may have to be some changes in it at a later date.

Hugh Cook: "I don't see anything startling in it. I am surprised it is so short and quite possibly there could be some things missing in it. It is straight-forward."

Mickey Hennessey, (now MPP for Fort William ward in Toronto): "I think the bill will tie a lot of people's hands and puts elected representatives on a full-time job . . .

The bill, in my estimation, is taking still more control away from the taxpayers and, putting it all into the hands of one body. This is politics, European style."

Harold Lockwood: "Whether it is good or bad makes little difference because it is going to be rammed down our throats anyway."²

This last comment best describes the attitude of a great many citizens and was fostered by the fact that there was no plebiscite or amalgamation. However, the lack of a plebiscite is not unusual nor is holding one a recommended course of action. U.S. examples in the previous chapter have illustrated this point. Nevertheless, opposition to the proposal did exist and bitterness towards the provincial government and the imposition of the reform was felt throughout the community.

The Act which legislated the reforms into being was Bill 118. I received its first reading in the provincial legislature on April 3, 1969, the second on April 24, 1969, and the final reading on May 7, 1969. All areas cannot be covered here but the major changes and format must be looked at.

The basic structure of the new city was:

- 1) to be effective January 1, 1970, the City of Fort William, the City of Port Arthur, the geographic township of McIntyre and the geographic township of Neebing were amalgamated into one city,
- 2) the council would consist of a mayor and twelve aldermen to be elected every two years,
- 3) the citizens shall choose the new name by referendum,
- 4) for election and tax purposes, the city was divided into four wards of Port Arthur, Fort William, Neebing

and McIntyre with their boundaries set as to those existing on May 1, 1969,

- 5) both mayor and aldermen were to be elected by general vote with five aldermen each coming from Port Arthur and Fort William, one alderman each from Neebing and McIntyre.
- 6) the council should appoint an administrative head who was responsible for smooth operation of city departments and held office at the pleasure of the council,
- 7) some boards were dissolved and the city prohibited from creating any others,
- 8) the city was given full planning authority with the existing official plans to remain in effect until such time as they were repealed,
- 9) the province would be responsible for revising and equalizing the assessment rolls for each ward,
- 10) Neebing and McIntyre were to be charged lower taxation rates than the rest of the city for the years: 1970, 1971, 1972, and 1973, as well as Neebing being made special payments of decreasing amounts for those years,
- 11) any one employed by any of the amalgamated municipalities were guaranteed a job,
- 12) by-laws of all municipalities would stay in effect until repealed by the new council.

All of the recommendations made by the Hardy commission in relation to the city government re-organization were implemented in this bill except for election of a deputy mayor. The district government idea was postponed as it was not considered to be feasible at that time.

One month following legalization of the bill, elections were held and a new mayor and council were elected. The work of implementing the new structure was then tackled. To avoid confusion

concerning the original structure initiated and changes made afterwards, this examination will be divided into five areas which will cover all changes and problems that have occurred.

Government and Administrative Structure

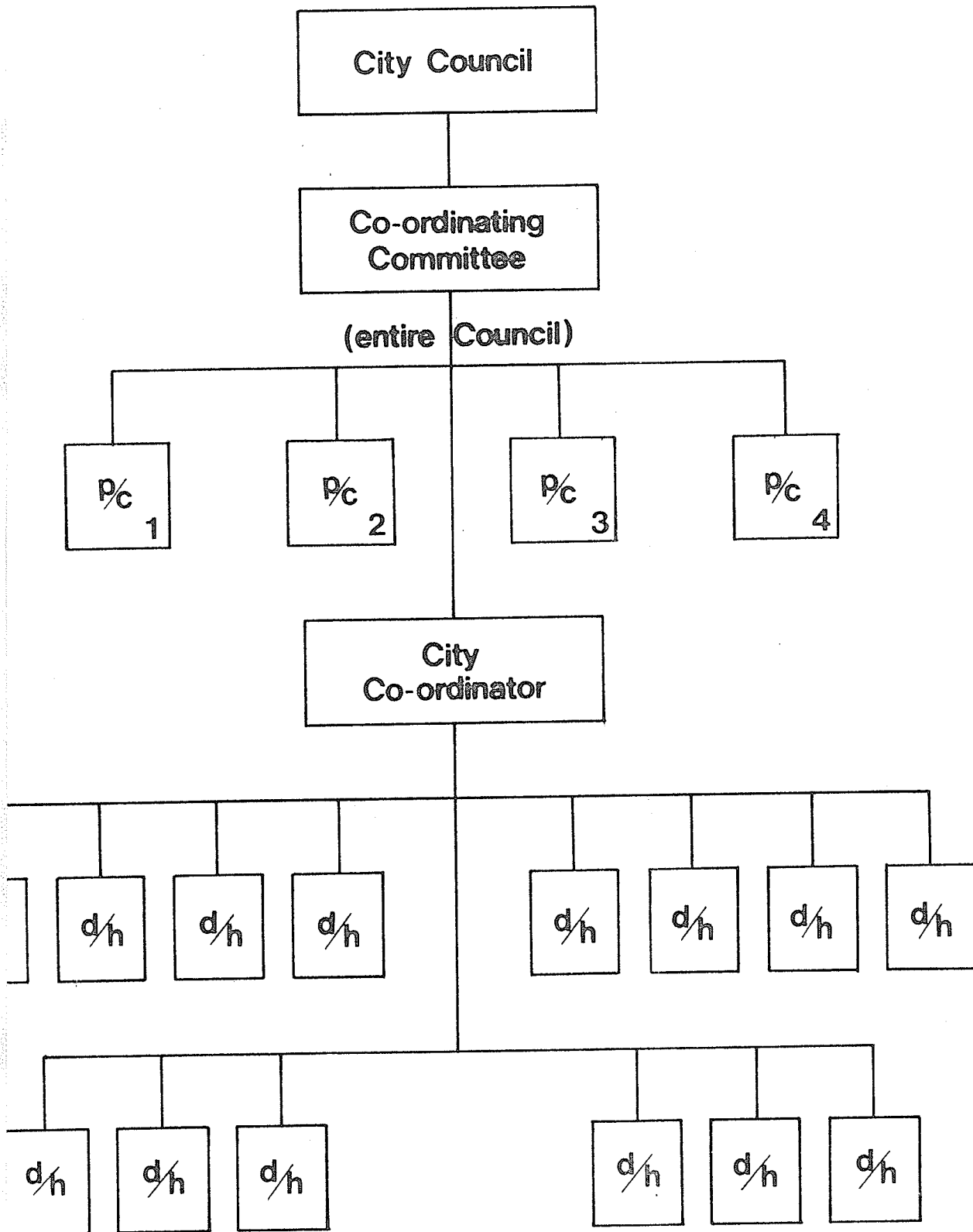
The original structure that was established was that recommended by Hardy, that being the chief administrator system or city co-ordinator, and, can be seen in 'Figure 2'. He was responsible to council for the smooth operation of fourteen departments. He had two assistants, one in charge of administration and one in operations.

In addition, policy committees were formed which were review and policy-making bodies but not administrative units. There was one co-ordinating committee which consisted of the mayor as chairman and all members of council as well as four policy committees (later there were six). These four committees drew their membership from the council on an appointed basis.

The purpose of the Co-ordinating Committee was to act as an overseer of other committees as well as to act as the policy centre for the city. More accurately, its functions were:

- 1) to formulate the principal goals and objectives of the municipality and to present them together with plans to the Council for consideration and decision,
- 2) to review progress of the plans,
- 3) to maintain an overall supervision of the municipal organization, its co-ordination and integration.³

ORDINATING & POLICY COMMITTEE SYSTEM



P/c - Policy Committee
d/h - Department Head

Source: Thunder Bay, Thunder Bay Annual Report, 1974
(Thunder Bay: City of Thunder Bay, 1975) p. 6

As well, they reviewed all work done by the policy committees and could consider any matter not under the jurisdiction of any other policy committee.

The policy committees were to make recommendations to the Co-ordinating Committee in areas under their jurisdiction, to consider public opinion on relevant matters and convey this opinion to the proper officials and to consider matters referred to them by the co-ordinating committee. The four original policy committees were:

- 1) Policy Committee 1 - handled personal and property protection, public works, roads, water, fire, sewers, police.
- 2) Policy Committee 2 - responsible for health and welfare.
- 3) Policy Committee 3 - oversaw parks and recreation.
- 4) Policy Committee 4 - in charge of planning.

The two later additions covered finance and housing.

This system operated until 1974 when the city co-ordinator and one of his assistants resigned. The city decided to review its administrative structure and, after much study, adopted a plan suggested by the Ministry of Treasury, Economics and Inter-governmental Affairs (TEIGA) which was based on a Team Management System. It was felt that this was a system which was readily adapted to change.(Fig. 3)

The TEIGA proposal had three basic propositions. Firstly, the position of Administrative Officer should be created with moderate responsibilities and authority and accountable to council. Secondly, departments should be re-arranged into various functional teams. Thirdly, an administrative corporate planning team should be formed to handle long term planning, programming and organization development.⁴

Basically, it was hoped that this system would produce a more innovative approach in the solution of problems as more people would be involved. As well, it was thought that a decision made by a group was more sound than that made by one manager. The teams were created along the following lines:

1) Four Service Teams structures functionally, where membership would act in a supportive role to individual members and provide expertise and input when requested. However, each department head would remain solely responsible for presenting his/her own recommendations to Council.

2) The Corporate Planning Team, whose purpose is to act in a staff or advisory capacity to the council and to the Administration for the development of broad, overall policies affecting the Corporation as a whole. The Corporate Team would also function as a Budget Review Team to ensure that budgets are consistent with city/top management objectives.

3) Special Purpose Teams who would be appointed as required, to deal with specific matters which would not normally come under the purview of the permanent teams, or that require input from specialized areas.⁵

The four service teams instituted were: Planning and Development; Finance and Administration; Public Works and Utilities; Community and Social Services. As well, some Special Purpose Teams were set up to cover areas of interest such as Employee Training; System Development, and Temporary and Long Range Civic Accommodation.

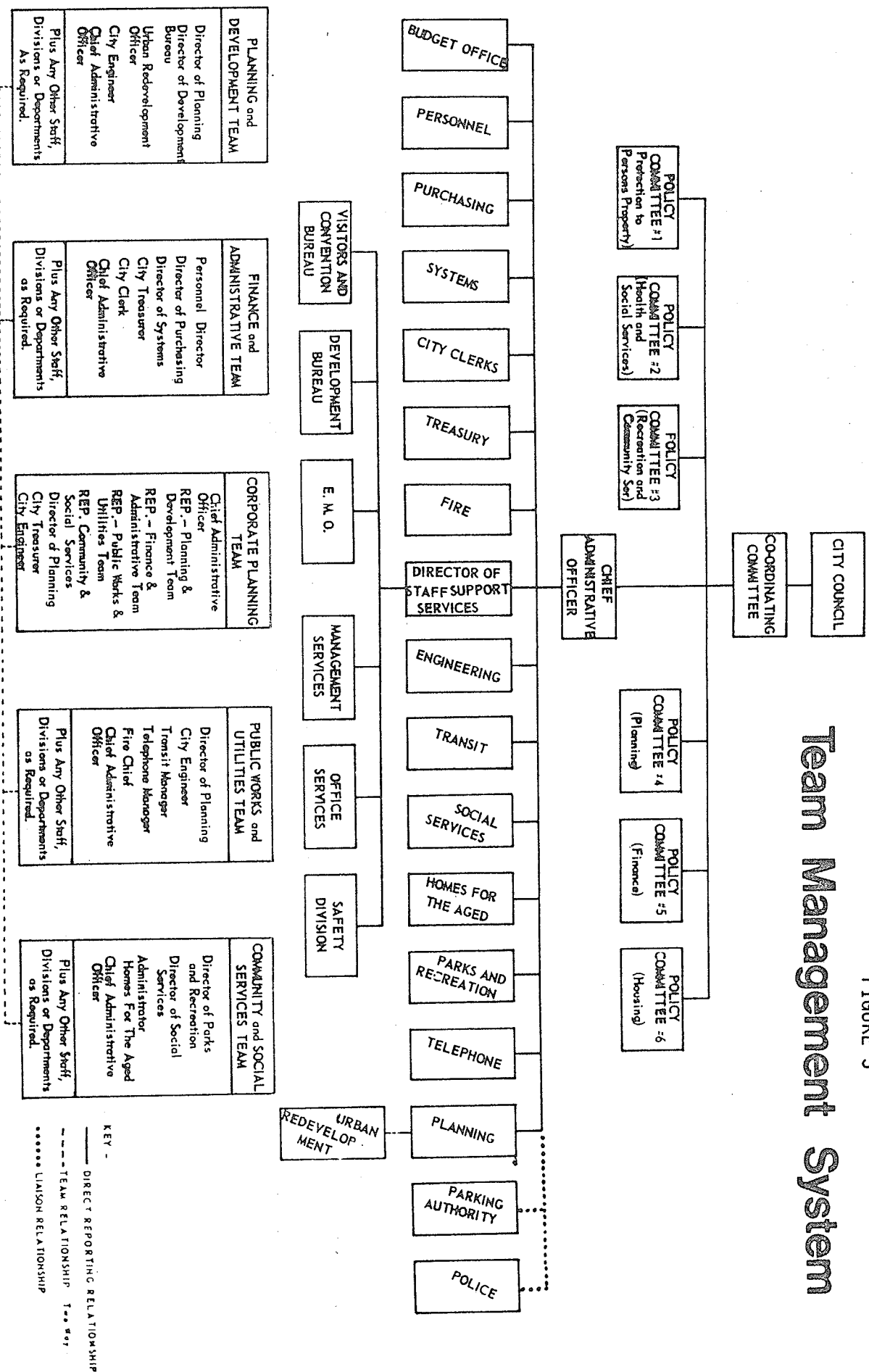


FIGURE 3

Team Management System

Source: Thunder Bay, Annual Report, 1975
 (Thunder Bay: City of Thunder Bay, 1976) p. 11

This system had its advantages such as increased scrutiny of policy by all departments; greater access to other departmental situations and a greater understanding of overall, broader goals. However, there were many drawbacks to the system. Chief among these was inter-personal problems amongst participants which prevented the teams from becoming cohesive units. Some department heads were not used to team situations and became quite uncomfortable. As well, the decision-making process became lengthy and the teams became bogged down with trivial matters.

As the drawbacks began to outweigh the benefits, it was decided that an examination of the system be made and any necessary changes made. A management consulting firm was hired to evaluate the system and the resultant Council-Committee-City-Manager form was adopted in 1978. It is shown in 'Figure 4'. It appeared as if the government of Thunder Bay had come full circle from the original structure. There were, however, some differences.

This new system consisted of a Chief Administrative Officer and five divisions which were made up of a grouping of departments headed by a director. The five directors are responsible to the Chief Administrative Officer for smooth and efficient operation of services and programs within their jurisdiction. Their major responsibilities are:

- 1) to provide direct access on departmental programs to elected representatives and to work with the Chairman of the Executive Committees of Council,
- 2) to co-ordinate services and programs in his area, with direct responsibility for the work done by his department managers,

- 3) development of corporate processes and techniques,
- 4) support the Chief Administrative Officer in the overall management of the city.⁶

In addition, the five directors and Chief Administrative Officers form the Directors' Committee which co-ordinates matters of city-wide importance. These include policy development, review of the annual budget and manpower planning.

At the same time, City Council Committees were established wherein elected representatives headed up committees which oversaw the activities of the administration. There are five committees in existence - one co-ordinating committee which has functions similar to those of the original structure and four more specialized committees covering the areas of:

- i) engineering and operations
- ii) community services
- iii) corporate and administrative services
- iv) community planning and development

It is hoped that this method of government will work more successfully than the previous ones. There seems to be a great deal of accountability of the administration to council as well as streamlining the number of major departments. In this way, government provides better citizen access as well as more efficient service.

There are, however, those who do not approve of this new system and see it as being top heavy with high-paid professionals. A Thunder Bay alderman of many years, Rita Ubriaco, described the new system as: "*the useless top*" and spoke of: "*hot shot kids*" being promoted to positions which they could not handle. She said that in

CITY OF THUNDER BAY
ADMINISTRATIVE STRUCTURE

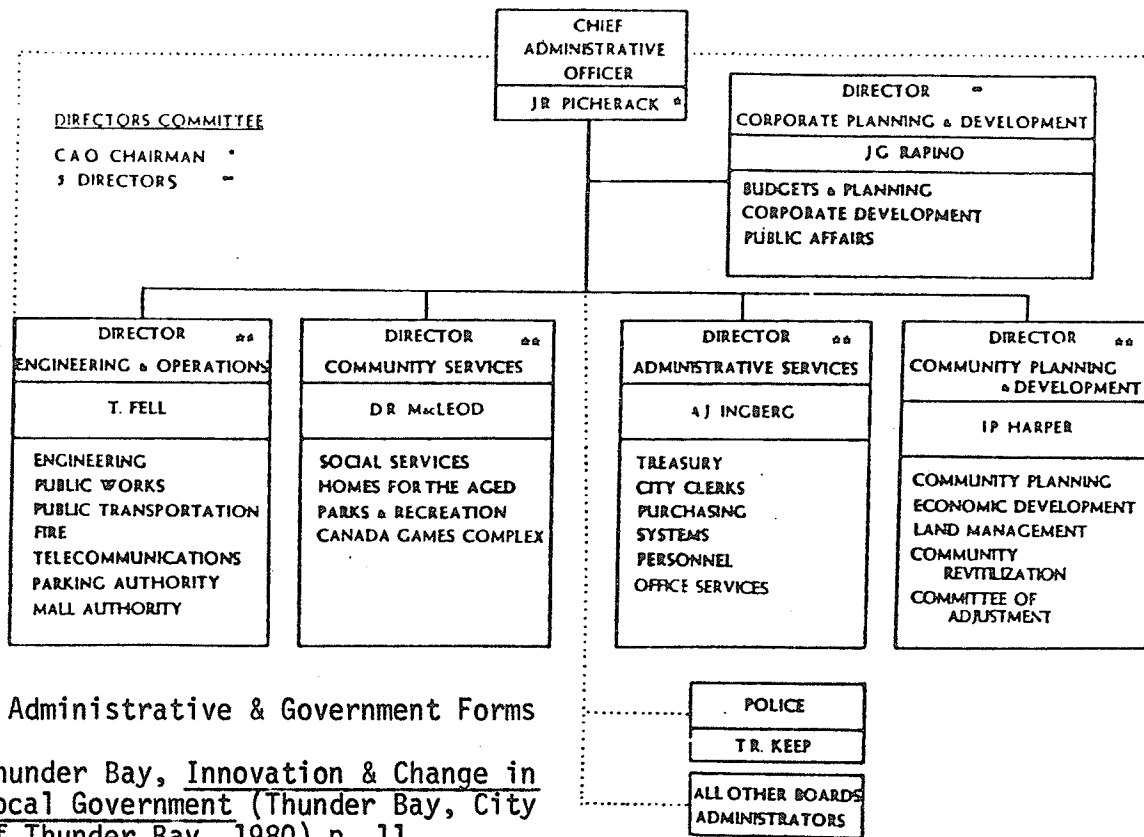
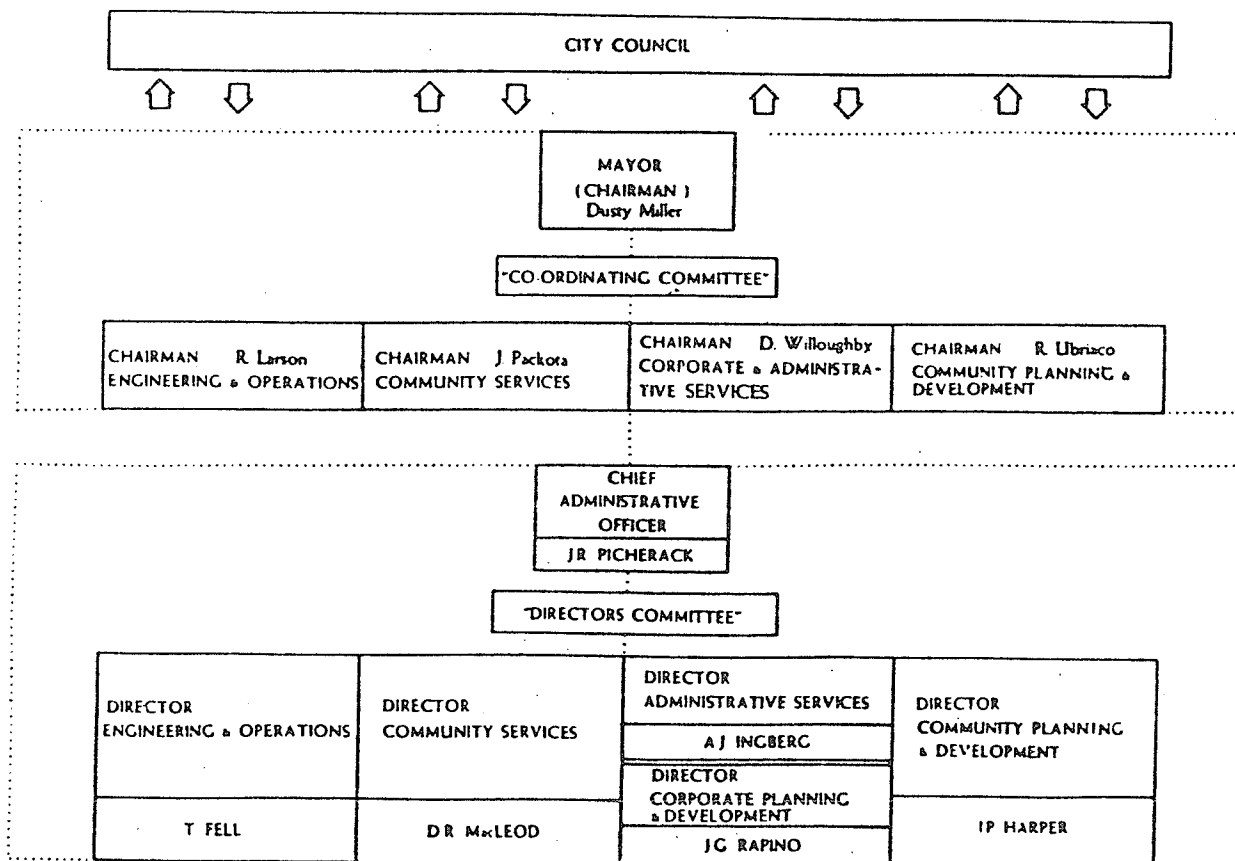


FIGURE 4: Administrative & Government Forms

Source: Thunder Bay, Innovation & Change in Local Government (Thunder Bay, City of Thunder Bay, 1980) p. 11

CHART #2

CITY OF THUNDER BAY



the shuffle of staff, a lot of people who had been with the city administration many years were shoved aside in favour of younger staff members. She also said that there was an increase in staff rather than the expected decrease. With opinions such as this circulating, it would not be too surprising to see another shakeup in a few years.

However, this re-arrangement of the administrative structure in a newly re-organized city is not unusual. *"After metropolitan institutions have been reformed, the greatest conflict in them is generated by proposals to re-arrange the institutions of metropolitan governance again."*⁷ Most reformed governments change their structure at the policy and administrative level, in the hopes of discovering a more workable system. In this respect, Thunder Bay is not an exception.

It is interesting to note, however, that the city is employing an increasing amount of trained professionals in their administrative structure. This supports the proposition that: *"Reformed metropolitan institutions strengthen the influence of professionals on public policy making, particularly in physical, tangible policy scopes, such as capital projects and transportation, of a technical and non-controversial nature."*⁸ Metro Toronto greatly increased the number of professionals working on its staff and making recommendations as to projects to be considered as beneficial. Thunder Bay, as well, can be seen as increasing the number of professionals working the city culminating in this present structure of a Chief Administrative Officer and directors who administer other professionals.

Electoral System

Bill 118 legislated the wards and method of election to be used up to and including the 1972 election. To recap, there were four wards established, these being:

- 1) Fort William which comprised the City of Fort William,
- 2) Port Arthur which comprised the City of Port Arthur,
- 3) McIntyre Ward which comprised the geographic township of McIntyre,
- 4) Neebing Ward which comprised the geographic township of Neebing.

The council was to consist of twelve aldermen and a mayor, all chosen by general vote. The aldermen had to be nominated in a ward, though, and chosen in the following numbers:

- 1) Five aldermen whose principle residence was in Fort William,
- 2) Five aldermen whose principle residence was in Port Arthur,
- 3) One alderman whose principle residence was in McIntyre,
- 4) One alderman whose principle residence was in Neebing.

This system was used up to the 1974 election when it was decided to do a review and make changes if necessary. The 1974 ballot asked the electorate if they were favourable to electing members of council by a ward system and the answer was a definite "yes". Based on that, council set up a new ward system that was operational in the 1976 election.

The new system that was drawn-up by the city clerk and approved by the Ontario Municipal Board did not increase the size of council but the number of wards. There were now seven wards,

five being urban and two being rural. Each urban ward was to elect two representatives and the rural wards one each, but, the vote was no longer a general one. Citizens could only vote for those representatives in the ward in which they lived. The mayor still was elected by general vote. This system is still in effect and is not presenting any significant problems.

In fact, there are many good points to it. The creation of three additional urban wards helped to blur the lines between Port Arthur and Fort William as at least one ward encompasses an area in both former cities. Also, there is increased representation in the urban area as each alderman represents less people. This was accomplished by increasing the number of wards and representatives per ward. There are far less representatives than before amalgamation (in fact, there are half as many) but that does not mean that quality of representation has decreased. The system was designed to reduce the size of electoral districts and thereby increase citizen participation but this has not happened. Blame for this probably lies with both citizen apathy and inability of aldermen to communicate with their electorate.

In fact, there was a study done just prior to amalgamation on aldermen in Port Arthur and Fort William on their views of themselves, their responsibilities and their relationship with their electorate. A total of nineteen aldermen were interviewed and of that number, not one felt that it was necessary to establish a formal communication link with his/her constituents between elections nor did they feel that public opinion on important issues was

necessary. As a result, citizen-representative communication was practically non-existent. *"Councillors were overwhelmingly anti-pathetic to the introduction of any devices into the municipal arena which would interfere with their freedom to decide upon issues in light of their individual view of what was best for the community and of what the electorate wanted."*⁹ Essentially, the aldermen wanted to impose a very subjective view of what was right for the community.

Since the time of this article, matters have changed somewhat. The method of having two aldermen in each ward has made councillors more accessible and they make more effort to communicate with their electorate. Nevertheless, the effort is minimal. Aldermen are relatively easy to reach and are quite conducive to being approached by individual citizens or groups but do little reciprocal action on their own.

The system made another provision for citizen participation which bears great similarity to the Winnipeg concept. The plan envisaged aldermen retaining ward offices for easy access to citizens and eventually the creation of *"mini-councils"* which bears a resemblance to Winnipeg's community committee. However, due to aldermen's limited funds, no ward offices have appeared nor have mini-councils. However, recently (in the past year), councillors have held ward meetings whereby citizens may come to meet and discuss problems with their representatives. City employees also attend, if necessary, to explain areas of their specialization where there is conflict. Whether this program is successful or not is not

evident yet as it has only begun. The potential, however, is great for these meetings to increase communication and citizen participation.

Besides the relative lack of citizen participation, there is one drawback to the new system. While urban wards were increased, the rural wards were not given increased representation giving the council a definite lopsidedness in favour of urbanites. This seems to be an inequitable situation and sometimes causes the rural area to be overlooked or outvoted at council.

On speaking to city officials, there was general consensus that the ward system was a good system. H.T. Kirk, the city clerk, felt that the province had made a mistake in 1970 by creating four wards based on the four areas that were amalgamated. He felt that this only served to deepen the lines of division and rivalry but that the new system was working to obliterate these lines. Dusty Miller, a long-time alderman and former mayor, felt that the wards created strong representation and accountability but that, perhaps, the boundaries should be reviewed to incorporate more thoroughly residential and business wards. She felt that there was no rivalry on council between areas largely due to this system.

Rita Ubriaco, who was quoted earlier, had more to say on the ward system and the question of rivalry. She felt that rivalry on the council had lessened since the initiation of the ward system by eliminating old parochial wards. However, she added that the

system is not working as well as it could because a system is only "as good as the people that are in it." Some people do not work with the co-operative spirit resulting in problems. While there is "a blur of the Port Arthur and Fort William rivalry", she indicated that it is possible to detect from which urban ward aldermen are from. Traditionally, "Port Arthur has always been more progressive" as have their officials while Fort William officials deal in "petty politics". The example given was, in the case of urban renewal for the Fort William core, it was two Port Arthur aldermen that led the issue while Fort William representatives were against it as being too costly. Dusty Miller also talked of the differences between Fort William and Port Arthur aldermanic personalities and was largely in agreement with Ms. Ubriaco. This feature was noted as well in the Alexander article quoted earlier on aldermen in Thunder Bay.

These attitudes seem to imply that there is a rivalry still existing on council which wards have not eliminated. While there can be no doubt that the ward system proved to alleviate the situation somewhat, it did not cure it totally. Perhaps, only time can do this.

Development

Before 1970, both Port Arthur and Fort William had successful built-up core areas. Between the two cities, lay the intercity area which contained little development and served as neutral ground between the two cities as well as reinforcing the

separation between the two. As well, Lakehead University and Confederation College had located in this area which only served to further reinforce the separation. Neebing and McIntyre both had some residential development which was mainly city overflow and some strip commercial development. The problems encountered here have been mentioned earlier. Essentially, then, the development that existed in the Lakehead area was that of two separate areas with a large undeveloped tract lying between them and marginal expansion into the urban fringes of Neebing and McIntyre.

There are attempts being made to fill in this intercity gap in order to create a more continuous link between the two urban areas. There are industrial park areas created which are filling up; the transit department located its transit depot and maintenance garage there in 1975; there is a large shopping plaza presently being erected; an expressway connecting the main road surrounding the city to a main artery runs through this area. More development is undoubtedly planned for this area in an endeavour to fill the gap between the two cities. While this looks impressive on paper, in reality the citizenry do not feel that there is a link being established. Attempts to build facilities used by all residents have not been successful either as can be seen in the failure to locate a Mini-Queens Park (which located in Fort William) and a Thunder Bay Arts Complex (which has still not been built).

Development within the city, since amalgamation, has been steady but slow. All the big primary industrial concerns have added to or updated their facilities with these improvements costing in the

FIGURE 5

1970-1979 Highlights of Thunder Bay's Economic Progress

1970

- . Ontario Department of Highways commenced planning a \$2 Million, 40,000 square foot, three storey building on James Street.

1971

- . Plans were unveiled to rebuild Old Fort William in a historic park at Pointe De Meuron, at a cost of \$15 Million.

1972

- . Six grain companies initiated plans to expend \$25 Million on air pollution controls for terminal grain elevators.

1973

- . Ontario Hydro announced plans to add 300 megawatts of generation to the Mission Island Station, at an estimated cost of \$305 Million.
- . McMillan-Bloedel Limited announced construction of a \$9.4 Million waterboard plant on the western city limits.

1974

- . Thunder Bay Terminals Limited announced plans to construct a \$35 Million coal transfer station on McKellar Island.

1975

- . Reichhold Chemicals commenced construction of a \$2 Million plant on Montreal Street.
- . Construction of a \$10 Million fire fighting co-ordinating station, adjacent to Thunder Bay Airport, was announced by the Ministry of Natural Resources.

1976

- . The Post Office Department announced plans to construct a \$5.5 Million computerized mail sorting factory building on a five acre site at the corner of the Harbour Expressway and Balmoral Street.
- . A \$4 Million renovation program was underway at Thunderbrick Limited, Rosslyn Road, for the production of bricks.

1977

- . Erco Industries Limited announced plans to construct a \$10 Million sodium plant on City Road.

- . Abitibi-Price announced plans to commence a \$28 Million environmental improvement program for its three mills in Thunder Bay.

1978

- . The route of a \$30 Million four-lane Expressway connecting Thunder Bay and Shabaqua Corners, thirty-five miles to the west, was announced. This will be the new Trans-Canada Highway route.

1979

- . A \$15 Million river diversion scheme was announced in the Intercity-McIntyre River area - rerouting and dredging the river.
- . IKOY Developers - Winnipeg announced plans to construct a \$9 Million housing-commercial complex on the site of the former News Chronicle Building.
- . Cargill Grain is in the process of updating and expanding its grain elevator with a \$12 Million program.

Summary - in the past ten years:

- . Over one-half billion dollars in City building permits have been issued
- . Over 10,000 new housing units have been constructed
- . Over \$100 million in industrial building permits have been issued
- . Nearly \$100 million in commercial building permits have been issued

Source: The Financial Post, Thunder Bay: 10 Years of Progress, November 17, 1979.

billions of dollars. Highway construction and improvement has increased tremendously especially in the area of expressways between the two former cities.

There are numerous projects that have developed since amalgamation and these are listed chronologically on the following pages. They give an indication of what type of expansion and growth has gone on in Thunder Bay. However, the two projects which most affected the city itself and best sums up the direction in which the area has been developing are the urban renewal schemes for each respective core.

Port Arthur had plans for its renewal before amalgamation and received funding for it just after amalgamation. The plan called for an indoor shopping plaza covering the city blocks, and attaching on to the existing Eaton's store. A rundown area on the southern boundary of this plaza was to be demolished and a residence for elderly and handicapped was to be built as well as some commercial enterprises. The harbour area, which was not a terribly pleasant place, was reworked into a park and marina area to make it more attractive to people. Various other buildings such as banks renovated or relocated their sites to co-operate with the 'beautifying' and revitalizing project. The result was an improvement in the Port Arthur core and a greater attraction of people to the area.

The problem was, however, that the Fort William core needed 'beautifying' and revitalizing as well and had no intention of being overshadowed by the Port Arthur downtown. A concept worth

\$25 million was drawn up and built in 1978-1979. The idea was to create an enclosed climate controlled mall over a number of streets, as well as rehabilitating other buildings surrounding the project. The streets radiating out one block each way from the core were to be enclosed while other streets would have their sidewalks covered with canopies. In addition, there was to be a 650 car parkade and a new transit station. All this was intended to provide "*a modern, tastefully decorated, pedestrian mall with kiosks, restaurants, etc.*"¹⁰ The structure, known as Victoria - ville, is completed and has provided "*a modern, tastefully decorated, pedestrian mall*" but it has also served to illustrate that the development of the total area is still a very divisive one.

The fact that both cores were re-developed in almost exactly the same manner shows the old rivalry of what one side gets, the other must have is still very real. There is virtually no need for more retail or office space in the city. The city has four large shopping malls, numerous smaller malls and construction has started on a new intercity mall, which will be of a regional size. There are office structures in the city which cannot find tenants. Yet, still, this structure was pushed through and now stands as a monument to the divisive development of the city. In fact, the duality of the two core areas was noted in the Lakehead Official Plan when it stated that "*it will continue to be evident for many years to come.*"¹¹

Housing starts, a good indication of development in an area, are on the decline. The year of amalgamation, 1970, registered 646

starts. The following years show steady growth with a peak of 1,482 units in 1977, half of which are apartment blocks. Since 1977, the decline, although not unique to Thunder Bay, has been rapid with 1979 seeing only 624 starts.¹² Population figures show the same slow growth with an increase of only 3,000 people from 1971-1976.¹³ As far as attracting new industry, the Chief Administrative Officer, Dick Picherak, said that there was too much hope in this area as the primary industries are already highly developed.

Residential developments are occurring on the fringes of the city preventing any inward growth. It should be noted that the Lakehead Official Plan had recommended policies which would make the area one cohesive unit. However, the development of the two core areas and residential growth in the outer areas seems to stand in direct contraction of the plan's recommendation. Growth has been encouraged by extension of urban services to the rural wards included in amalgamation. The extension is a source of pride to the present Chief Administrative Officer and, is seen by him as an indication of the city's progressive attitude. The problem it presents in promoting division is not recognized.

As well, growth outward was facilitated in the review commission's recommendations. The commission recommended that the city boundaries be drawn as widely as possible so as to maintain proper planning controls on the outer areas as well as to facilitate anticipated growth in the total area. This growth was seen as a result of designation of Thunder Bay as the primate growth centre in the Northwestern Ontario regional plan as well as one of five

preferred centres in the province which would receive special provincial funding.¹⁴ However, this regional plan was never developed and, as the previous population figures have shown, the area has not grown excessively. Therefore, it would be reasonable to say that the 1970 merger did not create any great amount of increased development.

Financial Considerations

As was pointed out in the Hardy Commission, the two cities of Port Arthur and Fort William would not experience much change in assessment of property and mill rate applied. They were both essentially equal with Port Arthur paying more for education. However, education subsidies in 1970 helped slacken this extra burden so that the other wards were not paying more. The problem areas lay in McIntyre and Neebing as McIntyre hoped to reap gains from the amalgamation in the Jumbo Gardens area while the wealthier Neebing area could only see itself being more heavily taxed. This led to their somewhat cool reaction to being included in amalgamation. It is necessary to examine the case of McIntyre and Neebing up to the present, in order to understand fully the extent of their apprehension.

An examination of the mill rates for amalgamation year of 1970 reveal that Port Arthur, Fort William and McIntyre all saw reductions in their rates while Neebing experienced a slight increase. From then until 1980, all areas of the city have experienced higher mill rates to keep pace with inflation and the city's programs of

FIGURE 6 : Mill Rates 1968-1974

STATISTICAL DATA cont'd.

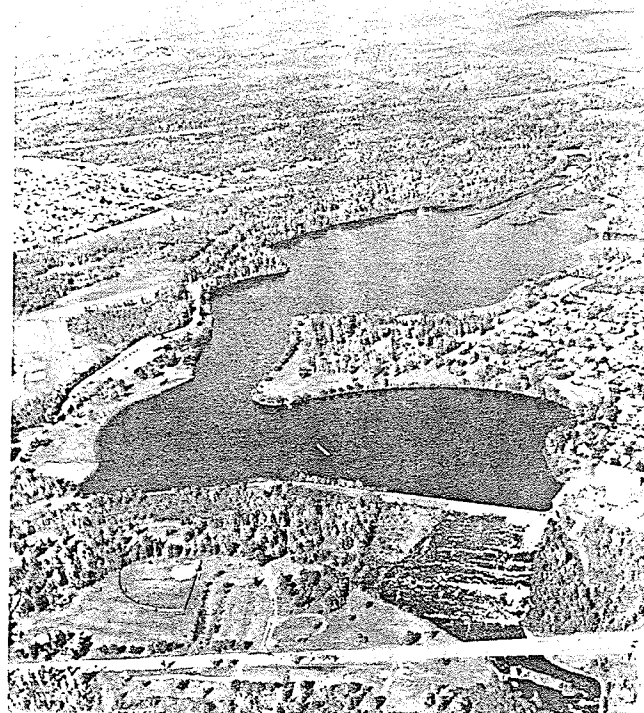
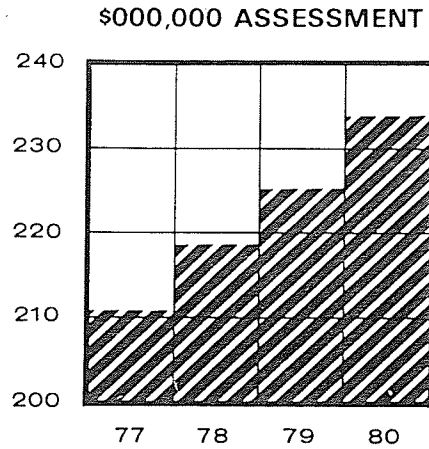
Tax information cont'd. — City of Thunder Bay (Historical)

MILL RATES		PUBLIC SCHOOL RESIDENTIAL	SUPPORTER COMMERCIAL	SEPARATE SCHOOL RESIDENTIAL	SUPPORTER COMMERCIAL
1968	Port Arthur	92.25	103.75	95.50	107.25
	Fort William	110.02	123.02	113.30	126.30
1969	Port Arthur	101.00	113.00	191.00	113.00
	Fort William	121.80	133.50	121.80	135.50
	McIntyre	79.75	88.55	68.05	75.60
	Neebing	68.93	79.13	67.78	77.85
THUNDER BAY (By Wards)					
1970	Port Arthur	98.30	109.46	99.67	110.98
	Fort William	117.92	131.31	117.92	131.31
	McIntyre	58.23	69.70	56.61	67.90
	Neebing	72.04	83.82	75.97	88.18
1971	Port Arthur	191.49	111.92	194.46	115.23
	Fort William	120.73	133.13	120.61	133.00
	McIntyre (non-serviced)	78.07	89.82	71.41	82.42
	McIntyre (urban)	94.87	106.62	88.21	99.22
	Neebing	81.62	93.13	78.09	89.21
	1972	Port Arthur	100.47	112.72	104.38
1972	Fort William	118.86	133.37	124.43	139.56
	McIntyre (non-serviced)	83.00	96.48	85.20	98.92
	McIntyre (urban)	97.57	111.05	99.77	113.49
	Neebing (non-serviced)	93.14	107.43	99.46	114.45
	Neebing (urban)	108.50	122.79	114.82	129.81
	1973	Port Arthur	88.85	102.60	89.52
Fort William		105.17	121.48	106.34	122.77
McIntyre (non-serviced)		78.96	94.15	79.77	95.04
McIntyre (urban)		91.63	106.82	92.44	107.71
Neebing (non-serviced)		85.02	100.91	85.49	101.44
Neebing (urban)		98.27	114.16	98.74	114.69
1974	Port Arthur	94.10	110.49	94.10	110.49
	Fort William	112.24	131.78	112.24	131.78
	McIntyre (non-serviced)	88.45	106.57	88.45	106.57
	McIntyre (urban)	99.05	117.17	99.05	117.17
	Neebing (non-serviced)	94.21	113.16	94.21	113.16
	Neebing (urban)	105.28	124.23	105.28	124.23

STATISTICAL DATA cont'd.

Tax information cont'd.
 — City of Thunder Bay (Historical)

(MILL RATES)	RESIDENTIAL	INDUSTRIAL-COMMERCIAL
1975 Port Arthur	125.09	144.25
(Wards) Fort William	148.05	170.76
McIntyre		
(non-service)	122.32	141.35
(urban)	134.43	155.59
Neebing		
(non-serviced)	129.12	149.00
(urban)	141.77	163.88
1976 Port Arthur	132.29	152.21
(Wards) Fort William	158.22	182.01
McIntyre		
(non-serviced)	130.27	149.92
(urban)	143.59	165.59
Neebing		
(non-serviced)	137.01	157.54
(urban)	150.49	173.92
1977 Port Arthur	147.67	169.80
(Wards) Fort William	175.71	202.05
McIntyre		
(non-serviced)	140.98	161.77
(urban)	161.50	185.90
Neebing		
(non-serviced)	148.04	169.80
(urban)	169.47	195.01
1978 Port Arthur	149.80	171.97
(Wards) Fort William	178.10	204.47
McIntyre		
(non-serviced)	145.57	166.43
(urban)	165.55	190.05
Neebing		
(non-serviced)	152.21	174.14
(urban)	172.89	198.47
1979 Port Arthur	161.97	185.95
(Wards) Fort William	193.60	221.57
McIntyre		
(non-serviced)	156.97	179.60
(urban)	178.66	205.12
Neebing		
(non-serviced)	164.11	187.76
(urban)	186.49	214.08
1980 Port Arthur	179.65	211.35
(Wards) Fort William	213.91	251.65
McIntyre		
(non-serviced)	176.43	207.57
(urban)	198.39	233.40
Neebing		
(non-serviced)	184.31	216.84
(urban)	206.95	186.49



Boulevard Lake Park

pushing services into the rural wards. However, the mill rates show that Neebing and McIntyre are divided into two categories: urban and non-serviced so that each area is only charged with services received. However, this does not appease the rural ward residents as they feel that they have been forced into a situation i.e. amalgamation which they did not want and for which they must pay. The problem does not end there. Mill rates are shown in 'Figures 6 and 7'.

Up until now, residents in both rural wards have been paying taxes which are below those which they should be paying. This is because the assessment base of all four wards is different as they were never standardized after amalgamation. However, the city has now decided that it is time for equalized assessment to be instituted so that everyone city-wide is assessed at the same standard and pays the same taxes. Residents in the rural wards feel that this will raise their taxes an exorbitant amount and have made loud protestations to the scheme.

The situation has gone so far as to prompt the two rural wards to consider seceding from the city. A March 26, 1981, newspaper article declared that a resident's group in McIntyre had voted to separate from the city and that similar sentiments were to be found in Neebing. The root of the 'revolt' lay in equalized assessment which would have this result, *"The average assessments in these rural wards would climb substantially resulting in higher taxes."*¹⁵

Increased taxes have long been the cry of the whole amalgamation area not simply the rural wards. This attitude prompted

the following comment in a local editorial:

*The people of McIntyre are no different from their city cousins who have seen their annual bill climb significantly since 1970, with a good chunk of the money going to provide or improve services in the outlying wards that were lacking or deficient at amalgamation.*¹⁶

It is necessary, here, to investigate further the problems that are being encountered in McIntyre and Neebing as they are largely financial. As well, their problems are ones which attack the basic amalgamation structure.

The areas of Neebing and McIntyre, before amalgamation, were rural areas containing some residential areas. The people who lived there had moved there to acquire the quieter life of rural living. They knew that the services were limited and some that were available in the city were totally unavailable in the country. Yet, they still moved there as they accepted the situation as it was and asked for no more. Taxes, accordingly, were very low. Then, with amalgamation in 1970, the two rural areas fell under city jurisdiction. The city investigated these areas and discovered that, with increased development, the septic tank system of sewage disposal was no longer adequate and that proper facilities must be built to keep within health standards. Services began extending outwards, largely unasked for, but the city had to maintain certain standards, as well as impose some controls. Naturally, with increased services came increased taxes. However, the two rural wards are still not paying as much tax as they should, since the method of assessment has not changed and property is assessed at pre-amalgama-

tion standards. The suggestion of equalizing assessment procedures and raising taxes further has irritated the residents of Neebing and McIntyre to the point of seeking secession from a union which they claim was forced upon them.¹⁷

City officials, when questioned on this topic, agreed on the subject of the two wards. Dusty Miller says that these two areas take more from the city than they put in. She said that some people are "making a killing" on land in these areas now and in past years by buying it and paying low taxes. The city clerk, H.T. Kirk, said that these two areas were using city services for free before amalgamation and that now they did not like having to pay for them. He added that it is difficult to determine what services people are getting from their tax dollar but that he is sure that rural residents are not paying for anything which they do not receive e.g. if there is no transit service, they are not charged for transit.

One of the leaders of the movement to institute equalized assessment, Rita Ubriaco, stated quite bluntly her views on the subject. She said, "*The annexation of Neebing and McIntyre was a pain in the neck for the two cities and the people who live in these areas.*" She stated that people living in the rural wards were happy as they were and did not want services. From the city's point of view, the pressures from speculators, developers, and residents are enormous as they press for more and more development. More development, though, requires more services particularly sewer, which, are expensive to install. The only way to pay for them would be to raise taxes which then raises a cry of protest. All in all, she saw it as an inequitable situation.

A method of spreading out taxes more evenly in her view was one assessment standard for all, rather than the four that exist. At present, a citizen cannot appeal his taxes since there is no measure against which to evaluate them. The fault for this, she feels, lies with the province. In the legislation to legalize the amalgamation, she felt that the province had not taken enough leadership in the area of assessment. She felt that the province had essentially done only half the job legislatively, and that they had left the city to handle the details, such as Neebing and McIntyre.

Donald Rowat, in one of his books on municipal government, says, "*clearly, a scientific and uniform assessment is the key to an equitable and lucrative property tax.*"¹⁸ He also supports provincial interest in assessment standards as being the method on which taxes are based and points out that provinces should take an active interest in seeing municipal assessment standardized. In the case of Thunder Bay, the province of Ontario has been negligent in this, giving some basis to Ms. Ubriaco's statements.

Mr. Picherak, the Chief Administrative Officer who was working with the province in 1970, said that he felt that omissions in legislation were "*oversights*" rather than deliberate evasions. He stated that the province could have been more helpful to the city by making the legislation clearer but he also added that the provincial authorities were relatively inexperienced at re-organizing local governments. The problems that were unveiled in this process helped smooth things over in subsequent re-organizations.

An area of financing that did improve with the merger was that of government grants. Hardy noted that these would improve with the combined efforts of the two cities rather than both cities competing for grants. All those interviewed supported this.

The area of local finance, then, is still fraught with divisions and problems. Essentially, nothing has been done to alter the tax schedule as related to assessment since amalgamation. Rates that applied before 1970 in each area still apply today. The only thing that has changed is the amount of taxes paid. These would have increased without amalgamation, no doubt, but it must be remembered that the high cost of installing city services has put a great deal of burden on the taxpayer.

City Departments

The Review Commission, in its report, reviewed each department of the two cities and made notes as to their condition and recommendations as to their improvement. This section will not review the same departments to discover the effect of amalgamation.

- Sewage System

The commission recommended that the two systems be intertwined in order to better treat sewage and dispose of it. As well, extending service to Jumbo Gardens in McIntyre was recommended.

Concurrent plans have made provisions for the extension of services to Jumbo Gardens as well as to service intercity industrial areas. Also, it was planned to enlarge treatment facilities and to develop a system to carry sewage beyond the breakwater.

A DREE grant in 1974 of \$23 million allowed the department to separate storm and sanitary systems, plant renovation and to further extend services into potential residential areas to the west of the city. As well, services to Jumbo Gardens have continued as well as to the new industrial areas. This grant allowed a lot of work to be done that otherwise would have taken longer due to lack of funding. If the two cities had not been joined, it is doubtful whether the grant would have been given since the government would have been reluctant to give one city money and not the other.

It can be said, then, that amalgamation benefited the sewer system in Thunder Bay due to the ability to attract funding. It is unlikely that the four former municipalities could have cooperated to produce the same results.

- Water Supply

While supply of water was never an issue, the system delivering the water presented some problems. It was felt that, if the city and therefore demand grew, the system would not be able to handle the increased demand. Integration of both water systems was urged and expansion of Port Arthur's water system at Bare Point was suggested. Therefore, after amalgamation, the major priority lay in upgrading the water distribution system at Bare Point. However, it was not until 1977 that a new filtration plant was begun.

The other major priority of the new city was to extend water services to residents living on the urban fringe, the newer subdivisions and the industrial parks. To facilitate this, in 1971, a five-year cap-

ital program was approved to allow for extension mainly to McIntyre and Neebing. Scattered development made this program necessary as 40-50 miles of mains would be necessary to accommodate those in the rural wards. More stringent restrictions on development have helped to ease the problems associated with scattered development. The area that most needed water, Jumbo Gardens, has benefited most from this program.

Amalgamation has aided in solving a problem which existed before 1970. This was the case of municipalities not having the revenue to provide proper services to the residents, in particular Jumbo Gardens.

- Roads

The review commission noted that traffic had to pass through both downtown cores creating congestion problems, and, that plans to alleviate the problem were never implemented as they should have been. However, since 1970, there has been an effort made to improve arterial roads in the city to better facilitate the flow of traffic.

The creation of one transportation department has led to a more cohesive planning approach of the total system. The rural wards particularly benefited from the city transportation department since, previously, their roads had been looked after by a local roads board which was not able to do much due to lack of funds. As well, equipment now is shared throughout the city.

More tangible results can be seen in the recent widening of the main artery between Port Arthur and Fort William, Memorial

Avenue, as well as the construction of the Harbour Access Route which cuts through intercity.

Generally, then, the time since amalgamation has seen many improvements in the road network which probably would not have been accomplished under the former four municipalities.

- Transit

The transit system in the two cities was the most obvious factor which illustrated the division of the two areas. Both former cities maintained their own transit which turned at the other's boundaries. Merger of the two systems was inevitable and could only improve service. Neebing and McIntyre had very limited service provided by the two cities.

As an aside, in 1965, the two cities commissioned a report on their transit systems. It was done by an American consultant who produced two reports (one for each city) containing much duplication of information. His final recommendations were that there were no glaring problems in the two systems and that merger was not warranted. Surprising as it may seem, his opinion was accepted and nothing done to improve transit.

After 1970, many changes were introduced to increase the efficiency of transit. One fare was established for the entire system; a pass system was started and met with great success; the elimination of the Port Arthur - Fort William transfer point; the introduction of a crosstown bus which went from one city core to the other. Later on, exact fare was started as well as allowing senior citizens to ride free.

Routes, of course, had to be planned so that service was extended to the rural wards and new residential areas. Transit has not met with much success in travelling to the rural areas and it is currently under study as whether to abolish service there or not.

In 1971, the Ontario government announced it would help fund transit systems if they were based on a plan. The city immediately hired a firm to draw up recommendations for the system which they followed quite closely. Changes included the elimination of trolley coaches and introduction of diesel buses; modification of routes to improve efficiency; the construction of a central depot and maintenance garage and the addition of more staff. With the help of the government money, by 1973, the entire fleet was diesel and consisted of 63 buses.

Transit has obviously improved due to amalgamation and the department has high hopes for the future. A city advertising book says, *"In the future, new bus identification, new uniforms, a new logo, increased service and additional routes will make Thunder Bay Transit's continuing policy of providing faster, safer, and better service than ever before."*¹⁹

- Education

Before 1970, both cities operated their own public and separate school systems. There was great duplication of services, disparities in pay, competition for good teachers and unwillingness to share resources. The only solution, as seen by the review commission, teachers and city officials was merger of the educational system.

Coincidentally, the provincial government was examining enlargement of school districts throughout Ontario and announced that it would consolidate public and secondary school jurisdictions into more compact units. The District of Thunder Bay was to hold five divisions with the new Lakehead Board of Education being the largest. The board had a membership of eighteen of which sixteen were from the urban area and two from outlying areas. Three of these members were from the separate schools but could only vote on high school matters. All members were directly elected.

As the cost of education rises and provincial assistance decreases, the tax on citizens for educational purposes has risen, a situation common to most cities. To cut down somewhat on costs, the board has attempted to streamline its operations. The major shakeup was in 1978 when a central resource centre was drastically reduced. This was a centre which had provided physical education instructors to primary schools, art and music instructors, speech therapists and child psychological experts. Some of these services had to be picked up by the teachers themselves especially in the fields of physical education, art and music. The psychology department, however, did not suffer and, in fact, improvements were planned in this area.

There is a greater emphasis at present on professional development of the teachers in the Lakehead area as well as increasing the board's capabilities in dealing with special education of some children. Reduction in competition and

competitive salaries have resulted as well from merger of the two boards.

- Parks and Recreation

It was noted that both cities had presented briefs to the review commission on the desirability of merging the two departments and they were anxious to develop a master plan to serve the needs of the city. Neebing and McIntyre had relatively little park or recreation facilities before amalgamation.

It should also be noted that the two other agencies were involved in this area. The Lakehead Region Conservation Authority is responsible for all portions of the watersheds which flow into Lake Superior between Pigeon River and the improvement district of Dorion. Through this responsibility, they maintain conservation areas and provide some recreational areas. Hardy noted this agency in his review with great praise and recommended they continue with their work. As well, the Lakehead Board of Education maintains playgrounds and school facilities which are open to the public at certain times.

After 1970, due to the inequity of service in the city and country, programs and facilities were planned to extend to the rural areas. In 1971, a consulting firm was retained to prepare a master plan and a cohesive set of guidelines for the entire area. This plan is now being implemented. Project leaders were hired soon after 1970 to assess community needs and develop programs that would meet these needs as well as encouraging volunteer work.

The department has focused strongly on centralization of its services. They have a central depot for all vehicles and equipment; a new administrative position of Chief Clerk was created to provide overall supervision of staff; a centralized scheduling and reservation department was set up which standardized rental rates of department facilities; concession operations were improved in both cost savings and efficiency. All of these programs have served to greatly improve the quality of service that the department provides.

In addition, the parks and recreation department has worked with the Board of Education to develop programs that can utilize the other's resources and end competition between the two. Adult programs, in particular, have been extended to fill in the gaps left by the conventional educational system.

Generally, the department has benefitted greatly by amalgamation and, in turn, the community has benefitted.

- Police

As was stated in the review report, both cities maintained a police force while the rural areas were policed by the OPP at provincial expense. Conflicting viewpoints arose at the review as to the advantages of establishing one force for the whole area but the review concluded that there were benefits in merger although the advantages were less apparent than in other departments. The Ontario Police Commission was preparing a report at the same time on the merger of various police forces province-wide and concluded that advantages to the Lakehead

merger would chiefly be a centralized communications system and more specialized services.

Despite some opposition, the forces were amalgamated and, as of January 1, 1970, became responsible for policing the two cities as well as Neebing and McIntyre. The force was administered by a Board of Commissioners with the mayor at its head. Internal problems began almost immediately. Unfortunately, with the merger, not all personnel were allowed to hold the same rank as in the former force and court action was taken concerning the authority of the Board of Commissioners. However, this was settled by the end of 1970 but not without a serious loss in morals and some resignations.

Since the merger, there has been an increase in certain special services to make the total force more effective. These additions are a dog division, a youth section which handles juvenile cases, and a planning and research branch. As well, several new systems were added - a new records system which allowed for better data access as well as capability to be in faster contact with other Canadian forces; a two-way radio system which enabled communication between officers in or out of their vehicles and the dispatcher or other officers in any part of the closed circuit television monitoring system for security areas. The present force operates 35 cars and 212 personnel.

In spite of these improvements, crime has not decreased significantly in Thunder Bay since amalgamation. This could be due to the increased size of the area to police

with no significant, corresponding increase in the force. The Chief of Police has said, "too much is being required of too few."²⁰ The one area where there has been an improvement is in the juvenile system where more cases were handled out of court by the new youth section. No evident improvements of great significance were noted in the amalgamation of the police forces and it is possible that this was one area which did not benefit greatly from amalgamation.

- Fire Protection

In contrast to the police situation, the merger of the fire departments and extension of services to Neebing and McIntyre was seen as a great success. The review had noted earlier that this was one area which needed more centralized control, a benefit that merger would facilitate. These included:

- 1) a better reserve in case of major and/or successive fires,
- 2) the department's own maintenance staff because the firefighting equipment would be more specialized,
- 3) permanent instructional staff and facilities,
- 4) increase of home inspections and familiarization inspections of all buildings and areas.²¹

After the merger, the department was divided into five divisions to cover all aspects of fire protection. There was no increase in personnel even though one new station in Neebing was added to the existing number. While this may have appeared as a reduction in total service, it was felt that since there were more stations that could respond to a fire in the total city, in fact, a more accessible fire service had been created. In

addition, the force joined the Thunder Bay Mutual Aid Fire System as well as maintaining an agreement with the Ontario Ministry of Natural Resources for fire protection of densely wooded areas and utilization of that agencies' special equipment.

Within the department, there were two areas which were emphasized - training and increased inspection of buildings. An extensive training program was established to ensure that all staff were aware of the new system brought in by merger as well as being familiar with new equipment. In order to utilize firefighters time more effectively, increased involvement with inspections was started. This also aided in improving the firemen's knowledge of their area, building layout and hydrant location.

A central data system was established which contained all information on equipment available, cross references for street access, the location of every hydrant in the city and the names of people to contact for most of the major buildings in the city. More recently, a new fire station was opened in the west end of the city which gave more protection to McIntyre as well as a station in the vicinity of a new residential development. This brought the number of stations up to eight and the personnel to 180. The department also states that it has a three station reply to any alarm in the city.

The fire department merger has been viewed as very beneficial to the Thunder Bay area and was done with relatively little upheaval.

- Refuse Collection and Disposal

The entire Lakehead area previous to amalgamation was using offensive and unsatisfactory methods of refuse disposal, these being incinerators and dumps. The need for a better, combined system was emphasized by Hardy. This type of system was instigated in 1971 with the opening of a new landfill site in McIntyre ward which was to service the entire city. In addition, service was extended to the rural wards greatly increasing the amount of garbage collected and the miles that the trucks had to cover.

This necessitated a complete reorganization of routes to include the extra mileage. By 1976, this had been done and the system improved its efficiency and productivity. According to the engineering department, this system has been less costly to operate than the previous incineration method. They anticipate that the present site has a life expectancy of thirty years so there is no need for other sites to be investigated. In light of this, all other disposal sites have been closed down.

- Libraries

Since 1970, the library system has been working on extending its services to outer areas of the city. This was greatly facilitated by the purchase of a bookmobile in 1976 which allowed library services to go to people who were in areas not conveniently located to a library. As well, the mobile travelled to shopping malls and playgrounds. Service to shut-ins and homes for the aged are also supplied. It is felt, however,

that further extension of services is a desirable goal.

Other areas of improvement were also evident:

- 1) introduction of audio-cassettes,
- 2) implementation of professional administration services,
- 3) addition to the Arthur Street branch in Port Arthur,
- 4) continued involvement with the Lakehead University Library Technology program.

- Planning

As noted in the review, there were too many planning agencies in the total area. Each municipality had its own plan, its own zoning by-laws, subdivision by-laws, etc. Initially, following amalgamation, the new city operated under four different plans until 1972 when the Lakehead Official Plan was adopted. However, there are still four different zoning by-laws in effect since the system has never been standardized. The difficulties of this arrangement are apparent.

After 1970, sole responsibility for city planning fell on the shoulders of the new city. Outer areas were in the jurisdiction of the Lakehead Planning Board which will be discussed later. The plan that came out in 1972 had one overriding objective - to treat the area as one planning unit and therefore one community.

The department's functions, in implementation of the plan, were to aid in creating goals and objectives for the city, recommending planning policy and supervising all city development activities. It controls land sales and purchases, zoning by-laws

and aids in application of land subdivision. It is responsible for the Redevelopment Division which controls redevelopment in the downtown cores; supervises the Neighbourhood Improvement Programs; and co-ordinates the Property Standards officers.

The largest concern of the department after 1970 was instituting the urban renewal scheme in Port Arthur which was completed in 1975. Then, a plan for Fort William had to be formulated. It is interesting to note the different philosophies used in each area. In Port Arthur, buildings were torn down, areas cleared, etc, while in Fort William, the plan tried to incorporate existing structures and doing as little "bulldozing" as possible. This scheme, described earlier, was completed in 1979. The difference in approach can perhaps be accredited to the NIP programs which emphasize improvement of existing materials rather than complete rebuilding from scratch.

NIP programs were instituted in three areas of the city which were older areas in need of some revitalization. Soon after, RRAP programs were started in the same area to allow home owners to improve their dwellings.

As well as revitalization, the department has been concerned with housing in the city. In 1975, the department did a study of the housing supply as the first step in the development of a housing policy. This resulted in Policy Committee 6 during the time of Team Management which had sole responsibility for housing. One evident outcome of this study has been the increased number of rental units and townhouse complexes.

The major benefit arising from amalgamation in the area of planning has been the opportunity to treat the area as one planning unit. However, zoning regulations must be revised and standardized to successfully implement a cohesive policy.

The Lakehead Planning Board is a separate entity from the city planning office. Originally, its purpose was to coordinate planning policy between the member municipalities and assist small rural planning boards. It was instrumental in bringing about the Lakehead Local Government Review which recommended that this agency not be made responsible for urban area planning but could be used in an advisory capacity. It maintains jurisdiction over the more distant rural areas, however, and aids them in planning decisions. It is a type of quasi-regional planning board made up of six members from the City of Thunder Bay and one from each of the member municipalities (which total eight).

There were complaints as to the effectiveness of the board in the early 1970's. They seemed to be ineffective in handling some planning problems. As well, their authority was challenged by some of the municipalities. This resulted in a new approach being taken in 1976 with an orientation towards "a grass roots" level. The board determined to prepare plans and zoning by-laws for each municipality in conjunction with that area's residents and council. The plans would attempt to define regional as well as area goals. To date, this approach has not been completed.

The total validity and usefulness of this agency has been challenged in recent years. The Chief Administrative Officer, Dick Picherak, does not hold the board in very high esteem and considers them to be quite useless. It remains to be seen whether the board will continue or will be replaced.

- Social Services

After amalgamation, the city became responsible for the welfare of about 1000 people, a number which rose significantly over the next two to three years. The city provides both financial assistance as well as rehabilitative and support services. Due to the scope of this area, only a brief look will be given to the various areas of social concern pinpointing the major improvements.

Since 1970, the city has become more involved in day care facilities with some financial assistance from the province. At present, each urban ward has two facilities a piece. As well, the department has introduced a Private Home Day Care Program in which youngsters can be placed in private homes under the supervision of a Municipal Supervisor.

A Detox Centre was established in 1971 and provided a place where alcoholics could "dry out" without having to involve the local police force. This centre operated until 1974 when the Ministry of Health assumed control and placed it under the jurisdiction of St. Joseph's General Hospital. Besides these two facilities, the department of social services has concentrated on consolidating their services and operation into a smooth running operation.

As was mentioned earlier, the two former cities in conjunction with the appropriate rural ward operated one senior citizens home each. After amalgamation, the administration of these two homes was merged which presented some problems, particularly in staffing. However, these were overcome and the two homes operate relatively smoothly and in co-operation with accepted standards. As well, more apartments geared to senior citizens operating on a rent-to-income basis have been built.

The major achievement in this area, however, has been the erection of a structure called The Heritage House. It is a senior citizens complex containing apartments but providing nursing care as well. The complex contains a pool, a restaurant, barber, hairdresser, chapel, stores and recreational facilities so that members of the community can use the facilities as well. Its prime purpose is to care for senior citizens yet, by also making it a centre for community activities, it has been able to serve as a dual purpose institution.

Health care in the two cities had operated in a fragmented system. However, it was a provincial reorganization which solved this problem. In 1972, the Thunder Bay District Health Council was established which was responsible for the planning and policy of all health care services in the district. They recommend programs to the Minister of Health as they see fit. As well, public health is maintained by the Thunder Bay Public Health Unit. It is a special purpose body designed to look after communicable diseases, public and home care, nursing, public

health and family planning.

If an overall view of services is taken, it can be said that amalgamation has benefitted the Thunder Bay area. As has been shown, most departments have experienced benefits in the reorganization. Exceptions, such as the police force, did experience some negative factors initially but as time has gone on, it cannot be said that any city department is worse off than before amalgamation.

Generally speaking, then, a department by department review illustrates that amalgamation has been beneficial in service areas. A more complete conclusionary statement will be made in the next and final chapter.

FOOTNOTES

- ¹All excerpts from the News-Chronicle, January 30, 1969.
- ²All excerpts from the Times-Journal, April 7, 1969.
- ³Thunder Bay, Annual Report - 1974, Thunder Bay: City of Thunder Bay, 1975, p. 2.
- ⁴Ontario, Ministry of Treasury, Economics and Inter-governmental Affairs, An Approach to Team Management Thunder Bay - A Monograph, Toronto: Ministry of Treasury, Economics and Inter-governmental Affairs, 1975, p. 14.
- ⁵Thunder Bay, "Team Management System", Thunder Bay, 1977, p. 2.
- ⁶Thunder Bay, "Innovation and Change in Local Government - Experiences of the City of Thunder Bay", Thunder Bay Corporate Planning and Development Division, 1980, p. 2.
- ⁷Steven P. Erie, John J. Kirilin and Francine F. Rabinovitz, "Can Something be Done? Propositions on the Performance of Metropolitan Institutions" in Lowdon Wingo, ed., Reform of Metro Governments, Washington: Resources for the Future, Inc. 1972, p. 27.
- ⁸Ibid, p. 24.
- ⁹Alan Alexander, "The Institutional and Role Perceptions of Local Aldermen", in L. Feldman and M. Goldrick, eds., Politics and the Government of Urban Canada, Toronto: Methuen Publishers, 1972, p. 142.
- ¹⁰Thunder Bay, "Thunder Bay: 10 Years of Progress", Financial Post, November 17, 1979, p. 7.
- ¹¹Lakehead Planning Board, Lakehead Official Plan, Thunder Bay: Thunder Bay Planning Department, 1972, p. 1-3.
- ¹²All figures from "Thunder Bay: Profile of a City", Economic Development Department, 1974, 1978, 1979.
- ¹³Ibid.
- ¹⁴Design for Development: Northwestern Ontario Region, Government of Ontario: Department of Treasury and Economics, 1970.
- ¹⁵Chronicle-Journal, Thunder Bay, March 26, 1981, p. 3.

- ¹⁶ Ibid, March 28, 1981, p. 12.
- ¹⁷ Ibid, March 26, 1981, p. 3.
- ¹⁸ Donald C. Rowat, The Canadian Municipal System, Toronto: McClelland and Stewart Ltd., 1969, p. 29.
- ¹⁹ Thunder Bay, Municipal Review, Thunder Bay: City of Thunder Bay, 1977.
- ²⁰ Thunder Bay, Annual Report - 1972, Thunder Bay: City of Thunder Bay, 1972, p. 3.
- ²¹ Eric Hardy, Special Commissioner, Lakehead Local Government Review: Report and Recommendations, March 11, 1968, p. 44.

SECTION V : SUMMARY AND CONCLUSIONS

It has been the purpose of this study to investigate local government re-organizations conceptually through a literature review, models of re-organization and, empirically, through one re-organization in particular. The case study of Thunder Bay was designed so as comparisons could be made between the organization that existed before 1970 and that which exists today. In this way, benefits and drawbacks are easily visible. It is necessary, now, to review the findings of this study and make some recommendations.

There are many types of re-organizations which can be established once the decision for reform has been made. All of them aim to improve the efficiency and effectiveness of local government so that any particular government organization can better serve the needs of its citizens. The types of re-structurings that have been examined here are one level, two tier, co-operative and unitary. Neither one nor another has been classified as being better than another. Every area must adopt that structure which best suits its needs. This is a very important consideration in government re-organizations and should be re-emphasized. Every area is different and, if reform is needed, must be assessed separately for, due to different ways in which an area has developed, each has different needs. That which works for one city does not necessarily work for another.

The uniqueness of the Lakehead area was discovered by the review commission when it did its study in the late 1960's.

The type of reorganization which this commission recommended, and the one which eventually was instituted, was not a popular method in Ontario. The two tier structure was the favoured method of reorganization yet it was not appropriate for the Thunder Bay area. A one tier, amalgamated government was deemed to be far more workable than a two tier government. Whether or not it has been successful is a difficult situation to evaluate. Many different criteria can be used to evaluate a local government. However, the five criteria set out in the first chapter of this study will be used as the basis of evaluation for Thunder Bay.

These criteria were:

1) the degree to which a government gets things done - This can be measured by an examination of the output of the various departments. As was seen earlier, sewer and water services have been extended to outer areas of the city and new developments, both residential and industrial; new roads have been built to improve the transportation network; transit was reorganized to produce a more effective system; the intercity area is being developed; urban renewal has been completed to a large degree. The list could go on but these examples are sufficient to illustrate that the city government has been effective in getting projects done and improving the quality of servicing since its reorganization.

Arguments as to the value of some of the projects undertaken e.g. urban renewal could be made but, whether one judges them to be of community value or not, is not the question

here. The fact remains that the city government had the capability to undertake and complete projects which have improved their efficiency and effectiveness in the delivery of services. In most cases, the fragmented government structure of the pre-amalgamated period would have been incapable of accomplishing so much.

2) is the political and administrative structure appropriate for the area - In the area of the administrative structure, an assessment is difficult to make since the present structure has only been in operation for about two years. There has been some criticism of the structure but whether that criticism is strong enough to force another change is a matter which only time will tell.

The basic method of a Chief Administrative Officer, which has been the predominant one, has proven to be a good one. Twice this particular method has been instituted indicating that those involved in city government find it a workable system. As well, a great deal depends on the personality of the Chief Administrative Officer and, at present, Thunder Bay has a man who has proven his capabilities in managing the administration under somewhat adverse conditions e.g. public attacks by the mayor.

The political structure has undergone less turmoil than the administrative one. The only major change has been the change in the electoral system i.e. the adoption of wards. Generally, the political system is solid and works well for the area. The only criticism is that there could be more councillor-

citizen communication and even this situation is under remedy as exhibited by the recent ward meetings which ave been held.

The feature of both structures which stands out has been the adaptability to change, a criterion which the Royal Commission on Local Government in England stated as essential for local government. The administrative structure has been altered three times and the political one twice. In both cases, the willingness of those involved to re-examine and refine the system has been excellent. No system can be expected to be perfect but if that system can operate with the resiliency of that in Thunder Bay, there is a good chance that a very workable system will eventually emerge. It is felt that such a system is now taking shape in Thunder Bay.

3) is there a general development plan - As was noted earlier, a plan was developed soon after amalgamation recommending that development should be done so as to bring more cohesiveness to the total area. To date, relatively little has been done to implement this policy. Indeed, city officials seem determined to ignore it. A new plan, presently in the process of approval, makes little change in this area and serves to reinforce the earlier plan.

Several events point this out - redevelopment of both downtown cores in similar manners; allowing continued growth on the fringes of the city rather than turning it inward; continued extension of servicing to the outer areas. It would be more beneficial to the cohesiveness of the area if the city practiced infill and renovation rather than development of new areas. This

has taken place in the intercity area to some degree but more could be done in other areas.

If the city continues to grow outwards, it could experience sprawl which implies a multitude of problems in servicing areas. In addition, population figures do not support the need for outward growth indicating that controls should be implemented to ensure that the urban area is contained.

4) has enough time elapsed to make a study such as this possible - It was stated earlier that a period of five to ten years was the ideal time lapse between reorganization and evaluation that should be allowed. Therefore, enough time has gone by to make this study feasible.

5) has the restructuring been accepted by the citizens - In Thunder Bay, this is an interesting topic. Since the idea of amalgamation arose in the 1960's, there have been many outspoken attacks on it. More vocal were the criticisms directed at the provincial government and its methods of instituting reform. There were claims, some of which were mentioned earlier, that the provincial government simply marched in and decreed that the area should be reorganized. This, in fact, was not true as the municipalities concerned requested a review be done. When that review had been completed, the citizens of the Thunder Bay area were given ample opportunity to read it and present their views¹ on merger. Therefore, any claims, either then or now, that this reform was done devoid of citizen participation are considered invalid.

At present, generally, citizens of Thunder Bay have accepted the reorganization of the area but still find problems in relating to the area as a unit. At one stroke, reorganization made the area one unit administratively and politically but it could not make it so in a community sense. The rivalry and division that had been present for years was too deep to be forgotten so easily. These lines have been blurred somewhat over the past eleven years and it is hopeful that they can be obliterated over the next eleven years. The groups that have not accepted and will continue to fight it are the residents of McIntyre and Neebing. This situation will be dealt with a little later.

As far as the five criteria established at the beginning of this study are concerned, the reorganization of Thunder Bay has been quite successful. Efficiency of city departments as a whole has been increased; the political and administrative structures have proven to be workable and resilient to change; rivalry has been lessened so that government grants have been easier to acquire as well as some large tourist attractions e.g. the 1981 Canada Summer Games. However, this is not to say that problems do not exist. Added changes could be made to better the area to an even greater degree.

At present, the greatest problem areas and those that present the greatest challenge to the total system are the rural wards of McIntyre and Neebing. Since 1970, these two areas have proven to be difficult to handle. While their claims of being forced into amalgamation are not valid, it appears that their

inclusion was a mistake. The lure of increased tax revenue from the wealthy Neebing area blinded the reformists to potential problems. Nevertheless, the situation was created and must now be handled.

Since the residents of the two areas want out of amalgamation and the city has only encountered "headaches" with the wards, it is advisable to re-establish the association on different terms. The two rural areas could be released from amalgamation and placed under their own jurisdiction. Administration of the area would then be in resident's hands. Services for the two areas could be contracted from the city of Thunder Bay in the manner that towns close to Los Angeles operate. In this way, rural residents will have the release from the city that they want while the city, in return, would not totally lose rural revenues since contracting fees would replace taxation income to a degree.

This is not to say that Neebing and McIntyre should return to their relatively uncontrolled state before 1970. Their own councils should maintain development controls so that the areas do not grow in an undesirable way. Planning assistance could be received from either the city or the Lakehead Planning Board on a contract basis so that guidelines for development control and zoning could be properly drawn up. If Neebing and McIntyre were to attempt to secede from the City of Thunder Bay and establish their own governing organization, it would be necessary to involve the provincial government quite intensively to oversee the initial stages of re-organization.

An alternative to secession, which some feel might trigger the demise of amalgamation, is to simply continue the relationship between the inner city and the fringe areas as it exists. In this way, amalgamation is retained but, on the other hand, so are the problems which are so prevalent. The basic problem in this situation is that the residents of Neebing and McIntyre still see themselves as residents of a small rural community and not of a larger, urban area. The immediate solution to their vocal complaint is conciliation. The final solution, however, is time to mold together the outer and inner areas.

As has been mentioned earlier, development of the two urban areas should be turned inwards. If the two rural wards were to secede, their exclusion from the city would aid in stopping sprawl. The city should practice infill and renovation rather than erecting new and largely unnecessary residential areas. In this way, not only will housing needs be met but older areas of the city can be restored. This would also aid in development of Thunder Bay as one cohesive unit and further blur the lines of division. Unfortunately, the new plan is in favour of perpetuating large, new sub-divisions.

The issue of equalized assessment is a volatile one in Thunder Bay. The value of it has been illustrated and it is a course of action that should be pursued if the area is to experience tax equality. As well, zoning and building by-laws need to be revised so that one standard exists city-wide. It is truly negligent that, eleven years after amalgamation, there still exists four dif -

ferent methods and standards of assessment, zoning and building codes. This inequality can only serve to reinforce the fragmented nature of some aspects of government that still exist. If the city is to truly be one, then city by-laws should reflect this unity.

The re-organization of the Thunder Bay area has proven to be largely beneficial to the area as a whole. There have been a lot of changes made in the original structure but change in re-organizations is to be expected. Fortunately, for Thunder Bay, most changes have led to improvements. A booklet put out by the city exhibits this spirit. It says, "*that the city has weathered the storms of change and growing pains associated with its transformation . . . Thunder Bay strives for and thrives on improvements.*"¹

Improvements have been numerous and the effects of them have been far reaching. In service areas, business, planning and government areas there can be no dispute that amalgamation brought better conditions to Thunder Bay and aided in her growth. On the other hand, there can also be no dispute that amalgamation has not made the area one cohesive unit. Bickering and petty politics still exist. One side trying to get more than the other side still exists. Time, unfortunately, and a smooth running government structure are the only two remedies to this problem. Fortunately, the present structure of government is proving itself to be resilient and smoothly operated.

There are still many problems to be overcome. Foremost, is the two downtown business cores offering similar facilities and

duplicate services. Both areas have businessmen who do not want to see their livelihoods destroyed through neglect of the respective downtown areas, yet, could benefit from less competition between each area. This original handicap of having two downtown areas has continued without a solution and, indeed, moves to perpetuate it have been made, i.e. urban renewal. However, this split development has not cast a shadow over the determination of those involved in the re-organization to make Thunder Bay a more cohesive unit.

Determination to succeed in re-organization of Thunder Bay was a big factor in the realization of amalgamation. Those involved in it and the main forces behind it, most notably Saul Laskin, the former mayor of Port Arthur and provincial authorities, drew on this determination in the face of much opposition to achieve their goal of re-organization. This determination was reflected in the first elected council of Thunder Bay who worked hard to make the city government work efficiently and smoothly. Although most of the drive for re-organization had come from the Port Arthur side of the dual political arena, all councillors made the effort to see that re-organization worked properly.

Since those early years of the re-organization, many factors have aided in insuring the success of amalgamation. Personalities of members of city government and the administration always have an impact; the restructuring of the ward system has proven to blur the lines of division between the two former cities; the obvious, tangible benefits that citizens can see i.e. improved roadways, better parks, etc., have helped in giving citizens more pride in their city and;

therefore, aided in closing the gap of disunity felt by citizens. As well as these factors, the resiliency of the city administration to alter its form and yet maintain control has proven to promote confidence in the administration by government and citizens.

This does not mean to say that the governmental structure has found its final, perfect form. There are still changes to be made in the hope of further improvements. The fact that there is much to be done yet in the Thunder Bay area does not mean that the re-organization has been a failure. It simply reinforces the notion that no re-organization is perfect and supports the premise that change leads to more change. If changes did not occur in government organizations, they would be stagnant, outdated and totally incapable of handling alternations in city growth. If governments are to avoid stagnation, change must continue as the basis of strengthening the level of government which affects people's lives more intensely than any other.

FOOTNOTES

- ¹Thunder Bay, "Innovation and Change in Local Government-Experiences of the City of Thunder Bay" - Thunder Bay Corporate Planning and Development Division, 1980, p. 10.

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APPENDIX I

BILL 118

1968-69

An Act to incorporate the City of The Lakehead

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

- (a) "City" means the municipality or corporation of the City of The Lakehead;
- (b) "Department" means the Department of Municipal Affairs;
- (c) "Minister" means the Minister of Municipal Affairs.

2. On the 1st day of January, 1970,

Incorpora-
tion of City

- (a) The Corporation of the City of Fort William and The Corporation of the City of Port Arthur are amalgamated as one municipality;
- (b) the geographic township of McIntyre is withdrawn from The Corporation of the Municipality of Shuniah and annexed to the amalgamated municipality under clause *a*; and
- (c) the geographic township of Neebing is withdrawn from The Corporation of the Municipality of Neebing and annexed to the amalgamated municipality under clause *a*,

and on and after that date the inhabitants of the City of Fort William, the City of Port Arthur and the geographic townships of McIntyre and Neebing are a body corporate which shall be a city municipality under the name of "The Corporation of the City of The Lakehead".

3.—(1) The council of the City shall consist of a mayor and twelve aldermen.

Council,
composition

Term of
office

(2) The first council of the City shall hold office until the 1st day of January, 1973, and each succeeding council shall hold office for a two-year term.

First
election

(3) The Minister by order shall provide for the holding of the elections in the year 1969 for members of the council of the City, including polling day, which shall be the 23rd day of June, 1969, nomination meetings, appointment of returning officers, preparation of voters' lists, application of R.S.O. 1960, *The Municipal Franchise Extension Act* and any other matters as are deemed necessary in respect of the election.

R.S.O. 1960,
c. 254

Referendum
re name
of City

(4) If directed by order of the Minister, a vote of the electors of the City shall be taken at the same time as the election for the first council to determine, from among the names designated by the Minister, which name the City shall bear and, following the vote, the Minister shall by order,

- (a) confirm the name of the City as set out in section 2;
or
- (b) declare the names that the City, the hydro-electric power commission established under section 8 and the public library board established under section 9 shall bear,

and where a declaration is made under clause *b*, all references to the bodies mentioned in clause *b* shall be deemed to refer to the names of such bodies as designated in the declaration.

Wards

(5) For the purpose of the election to be held in the years 1969 and 1972 and for the purpose of apportioning the levy for the years 1970, 1971 and 1972 in accordance with section 12, the City is divided into the following wards:

1. Fort William Ward—which shall comprise the area of the City of Fort William as it existed on the 1st day of May, 1969.
2. McIntyre Ward—which shall comprise the area of the geographic township of McIntyre as it existed on the 1st day of May, 1969.
3. Neebing Ward—which shall comprise the area of the geographic township of Neebing as it existed on the 1st day of May, 1969.
4. Port Arthur Ward—which shall comprise the area of the City of Port Arthur as it existed on the 1st day of May, 1969.

(6) Any lands that become part of the City under the provisions of section 4 of *An Act respecting certain aid by the Corporation of the Town of Fort William to the Grand Trunk Pacific Railway Company*, being chapter 48 of the Statutes of Ontario, 1905, or of subsection 2 of section 5 of *An Act respecting the City of Fort William*, being chapter 114 of the Statutes of Ontario, 1910, shall form part of Fort William Ward. ^{Certain lands to form part of Fort William Ward}

4.—(1) The mayor shall be elected by a general vote of the electors of the City. ^{Election of mayor}

(2) Every candidate for the office of mayor in the election to be held in the year 1969 shall be a person, otherwise qualified, whose principal residence was, on the 1st day of September, 1968, and is, at the time of the opening of the nomination meeting, in the City. ^{First election}

(3) The twelve aldermen shall be elected by a general vote of the electors of the City and the electors shall, at the elections to be held in the years 1969 and 1972, vote to elect, ^{Election of aldermen}

(a) five aldermen whose principal residences,

(i) in the case of the 1969 election were, on the 1st day of September, 1968, in the City of Fort William and are, at the time of the opening of the nomination meeting, in Fort William Ward, and

(ii) in the case of the 1972 election are, at the time of the opening of the nomination meeting, in Fort William Ward;

(b) one alderman whose principal residence,

(i) in the case of the 1969 election was, on the 1st day of September, 1968, in the geographic township of McIntyre and is, at the time of the opening of the nomination meeting, in McIntyre Ward, and

(ii) in the case of the 1972 election is, at the time of the opening of the nomination meeting, in McIntyre Ward;

(c) one alderman whose principal residence,

(i) in the case of the 1969 election was, on the 1st day of September, 1968, in the geographic township of Neebing and is, at the time of the opening of the nomination meeting, in Neebing Ward, and

(ii) in the case of the 1972 election is, at the time of the opening of the nomination meeting, in Neebing Ward; and

(d) five aldermen whose principal residences,

(i) in the case of the 1969 election were, on the 1st day of September, 1968, in the City of Port Arthur and are, at the time of the opening of the nomination meeting, in Port Arthur Ward, and

(ii) in the case of the 1972 election are, at the time of the opening of the nomination meeting, in Port Arthur Ward.

General
administrative
head

5.—(1) The council of the City may, by by-law, appoint a general administrative head, who,

(a) shall have such general control and management of the administration of the government and affairs of the City and perform such duties as the council by by-law prescribes;

(b) shall be responsible for the efficient administration of all its departments to the extent that he is given authority and control over them by by-law;

(c) shall hold office during the pleasure of the council; and

(d) shall receive such salary as the council by by-law determines.

Application
of R.S.O.
1960,
c. 249,
s. 239 (2)

(2) Subsection 2 of section 239 of *The Municipal Act* applies to a general administrative head appointed under subsection 1.

No board
of control

6. The City shall not have a board of control.

Fort
William
Gardens
Board
dissolved

7.—(1) The Fort William Gardens Board is hereby dissolved on the 1st day of January, 1970, and the council of the City, on and after that date, shall act in the place and stead of such board, and all the assets and liabilities of such board become, on that date, assets and liabilities of the City without compensation.

Recreation
and
Community
Centres
Board
dissolved

(2) The Recreation and Community Centres Board of the City of Port Arthur is hereby dissolved on the 1st day of January, 1970, and the council of the City, on and after that date, shall act in the place and stead of such board, and all the assets and liabilities of such board shall become, on that date, assets and liabilities of the City without compensation.

(3) The council of the City shall be deemed to be a recreation committee under *The Department of Education Act* and the regulations thereunder and a board of a community centre under *The Community Centres Act*.

Council to be
recreation
committee
and com-
munity
centres
board
R.S.O. 1960,
cc. 94, 60

(4) No board having powers or functions similar to those of the boards mentioned in subsections 1 and 2 or a board under paragraph 69 of section 377 of *The Municipal Act* shall be established by the City.

Prohibition
re establish-
ment of
boards
R.S.O. 1960,
c. 249

8.—(1) A hydro-electric power commission for the City to be known as "The Hydro-Electric Commission of The Lakehead" is hereby established on the 1st day of January, 1970, and shall be deemed to have been established under Part III of *The Public Utilities Act*, and shall consist of the mayor of the City and four other members, and, until the 31st day of December, 1972, two members shall be appointed by The Hydro-Electric Power Commission of Ontario and two members shall be appointed by the council of the City.

Hydro
Commission

R.S.O. 1960
c. 335

(2) The council of the City in the year 1972 shall by by-law provide that thereafter the members of The Hydro-Electric Commission of The Lakehead, except the mayor, shall be appointed as provided in subsection 1 or shall be elected by a general vote of the electors of the City.

By-law re
election or
appoint-
ment of
members

(3) A member shall hold office for the same term as the members of council and until his successor is appointed or elected.

Term of
office

(4) The Hydro-Electric Commission of the City of Fort William is hereby dissolved on the 1st day of January, 1970, and all the assets under the control and management of such Commission and all liabilities of such Commission shall become, on that date, assets under the control and management and liabilities of The Hydro-Electric Commission of The Lakehead without compensation.

Fort
William
Commission
dissolved

(5) The Public Utilities Commission of the City of Port Arthur is hereby dissolved on the 1st day of January, 1970, and, in so far as they pertain to the distribution and supply of electrical power and energy, all the assets under the control and management of such Commission and all liabilities of such Commission shall become, on that date, assets under the control and management and liabilities of The Hydro-Electric Commission of The Lakehead without compensation.

Port Arthur
Commission
dissolved

(6) No other public utilities commission shall be established by the City.

No utility
commission
to be
established

Public
library
board

1966, c. 128

9.--(1) A public library board for the City to be known as "The Lakehead Public Library Board" is hereby established on the 1st day of January, 1970, and shall be deemed to have been established under Part I of *The Public Libraries Act, 1966*, and the first appointments thereto shall be made at the first meetings of the appointing bodies after the 1st day of January, 1970.

Library
boards
dissolved

(2) The public library boards of the City of Fort William and the City of Port Arthur are hereby dissolved on the 1st day of January, 1970, and all their assets and liabilities shall become, on that date, assets and liabilities of The Lakehead Public Library Board without compensation.

Planning
Area
R.S.O. 1960,
c. 296

10.--(1) The Lakehead Planning Area shall continue as a joint planning area under *The Planning Act*, and the City shall be the designated municipality within the meaning of *The Planning Act*.

Subsidiary
planning
areas
dissolved

(2) On the 1st day of January, 1970, the subsidiary planning area of the City of Fort William and the subsidiary planning area of the City of Port Arthur, together with the planning boards thereof, are dissolved, and the geographic townships of McIntyre and Neebing are withdrawn respectively from the subsidiary planning areas of Shuniah and Neebing.

Official
plans in
effect

(3) Notwithstanding subsection 2,

- (a) the official plans in effect in the City of Fort William and the City of Port Arthur; and
- (b) the official plans in effect in The Corporation of the Municipality of Shuniah and The Corporation of the Municipality of Neebing as they relate to the geographic townships of McIntyre and Neebing,

R.S.O. 1960,
c. 296

shall continue in effect until altered or repealed by the council of the City under *The Planning Act*.

Subsidiary
planning
area and
board

(4) The City is constituted a subsidiary planning area of The Lakehead Planning Area on the 1st day of January, 1970, and the council of the City shall be the planning board of the subsidiary planning area.

Interpre-
tation

11. In sections 12, 13 and 14,

- (a) "commercial assessment" means the total of,
 - (i) the assessment for real property that is used as a basis for computing business assessment including the assessment for real property that

is rented and occupied or used by the Crown in right of Canada or any province or any board, commission, corporation or other agency thereof, or by any municipal or regional corporation or local board thereof, and

(ii) the business assessment, and

(iii) the assessment for mineral lands, railway lands, other than railway lands actually in use for residential and farming purposes, and pipe lines and the assessment of telephone and telegraph companies, and the assessment of lands not liable for business assessment under subsection 2 of section 9 of *The Assessment Act*,^{R.S.O. 1960, c. 23}

according to the last revised assessment rolls;

(b) "residential assessment" means the total assessment for real property according to the last revised assessment rolls except the assessments for real property mentioned in subclauses i and iii of clause a.

12.—(1) The council of the City shall levy, as provided^{Rates} in this section, the sums adopted for general purposes in accordance with section 297 of *The Municipal Act*, together^{R.S.O. 1960, c. 249} with a sum equal to the aggregate of the sums required by law to be provided by the council for any board, commission or other body, except a school board.

(2) The Department in each year shall revise and equalize,<sup>Equaliza-
tion of
assessment</sup> by the application of the latest equalization factors of the Department, the last revised assessment rolls for each of the wards of the City as returned in the preceding year, which revision and equalization shall be final and binding.

(3) Upon completion by the Department of the equalized^{Reports} assessment reports, the Department shall mail a copy thereof to the City.

(4) The amount to be raised by the City in each year by<sup>Levy on
commercial
assessment</sup> levy on the commercial assessment shall be a sum equal to the proportion of the sum to be levied under subsection 1 that the commercial assessment of the City bears to the total assessment of the City both according to the last revised assessment roll as equalized by the Department under subsection 2.

Levy on residential assessment

(5) The amount to be raised by the City in each year by levy on the residential assessment shall be a sum equal to the proportion of the sum to be levied under subsection 1 that the residential assessment of the City bears to the total assessment of the City both according to the last revised assessment roll as equalized by the Department under subsection 2, reduced by the sum equal to the estimated revenue from payments to be received in that year by the City under section 7 of *The Municipal Unconditional Grants Act*.

R.S.O. 1960, c. 259

Apportionment among wards

(6) All sums levied under subsection 1 shall be apportioned among the wards of the City in the following manner:

Commercial

1. The amount, as ascertained in accordance with subsection 4, to be raised by the City in each year by levy on the commercial assessment shall be apportioned among the wards in the proportion that the total commercial assessment in each ward bears to the total commercial assessment in the City both according to the last revised assessment roll as equalized by the Department under subsection 2.

Residential

2. The amount, as ascertained in accordance with subsection 5, to be raised by the City in each year by levy on the residential assessment shall be apportioned among the wards in the proportion that the total residential assessment in each ward bears to the total residential assessment in the City both according to the last revised assessment roll as equalized by the Department under subsection 2.

Levy on commercial assessment in wards

(7) The council of the City shall levy on the whole of the commercial assessment in each ward, according to the last revised assessment roll, the amount ascertained for that ward in accordance with paragraph 1 of subsection 6.

Levy on residential assessment in wards

(8) The council of the City shall levy on the whole of the residential assessment in each ward, according to the last revised assessment roll, the amount ascertained for that ward in accordance with paragraph 2 of subsection 6.

Application

(9) The provisions of this section apply only in the years 1970, 1971 and 1972.

Levy before estimates adopted, on real property

13.—(1) Notwithstanding section 12, in the years 1970, 1971 and 1972, the council of the City may by by-law passed before the adoption of the estimates in each year levy, before the adoption of the estimates, on the whole of the assessment for real property, according to the last revised assessment roll, a rate not exceeding 55 mills.

(2) If the council of the City has not provided for taking ^{on business assessment} the assessment of business during the year in which the rates of taxation thereon are to be levied under section 130 of *The Assessment Act*, the council, notwithstanding section 12, ^{R.S.O. 1960, c. 23} in the years 1970, 1971 and 1972 may by by-law passed before the adoption of the estimates in each year levy, before the adoption of the estimates, on the whole of the business assessment, according to the last revised assessment roll, a rate not exceeding 55 mills.

(3) If in any year a levy is made under this section, the amount required to be raised in that year by levy under section 12 shall be reduced by the amount to be raised by the levy under this section. ^{Levy under section 12 to be reduced}

(4) Subsection 3 of section 294a of *The Municipal Act* applies to levies made under this section. ^{Application of R.S.O. 1960, c. 249, s. 294a, subs. 3}

(5) The council of the City shall not pass by-laws under section 294a of *The Municipal Act* in the years 1970, 1971 and 1972. ^{By-laws not to be passed under R.S.O. 1960, c. 249, s. 294a}

14.—(1) The council of the City shall impose in the years 1970, 1971, 1972 and 1973 lower rates of taxation in the McIntyre and Neebing Wards by the number of mills specified by order of the Minister, on the whole of the assessment for real property and business assessment, according to the last revised assessment roll, than those imposed on such assessment in the remainder of the City. ^{Reduction in rates in McIntyre and Neebing Wards}

(2) The council of the City shall include in the estimates to be adopted for the years 1970, 1971, 1972 and 1973 the respective amounts of the reductions granted to McIntyre and Neebing Wards as required in subsection 1. ^{Amount of reduction to be included in estimates}

15.—(1) For the purposes of levying taxes under *The Separate Schools Act*, the wards of the City shall be deemed to be municipalities, and the council of the City shall be deemed to be the council of each of such wards. ^{Rates under R.S.O. 1960, c. 368}

(2) The amount required to be levied and collected by the City for public school purposes on commercial assessment and residential and farm assessment as determined under section 105 of *The Schools Administration Act* shall be apportioned among the wards in the ratio that the total assessment for public school purposes in each ward bears to the total assessment for public school purposes in the City, both as equalized in accordance with subsection 2 of section 12. ^{Rates for public school purposes R.S.O. 1960, c. 361}

(3) The amounts required to be levied and collected by the City for secondary school purposes on commercial assessment and residential and farm assessment as determined under ^{Rates for secondary school purposes}

R.S.O. 1960, c. 261 section 105 of *The Schools Administration Act* shall be apportioned among the wards in the ratio that the total assessment for secondary school purposes in each ward bears to the total assessment for secondary school purposes in the City, both as equalized in accordance with subsection 2 of section 12.

Application (4) The provisions of this section apply only in the years 1970, 1971 and 1972.

Urban service interpretation

16.—(1) In this section,

(a) "cost" includes the cost of constructing, equipping, extending, enlarging, altering and replacing public works for the purpose of providing an urban service, the cost of managing, operating and maintaining such urban service, the cost of any land, buildings and equipment necessary for providing an urban service, and the cost of the issue and sale of debentures for an urban service and any discount allowed to the purchasers of them;

(b) "urban service" means,

(i) the collection and disposal of sewage and land drainage, or

(ii) the collection, removal and disposal of ashes, garbage and other refuse, or

(iii) street lighting.

Areas of urban service

(2) With the approval of the Municipal Board, the council of the City shall by by-law designate the areas in which an urban service is provided by the City.

Levy in areas

(3) The aggregate amount of the sums necessary in each year to pay the cost of an urban service in a designated area, including the City's portion of all debenture charges for works constructed under *The Local Improvement Act* and debenture charges for debentures issued under any other Act in connection with such urban service, except to the extent that such cost is raised by special assessments, under any general or special Act, or otherwise, shall be levied in the manner provided by *The Municipal Act* upon all rateable property in the designated area and no part of the cost of providing such urban service shall be levied on any part of the City lying outside the designated area.

R.S.O. 1960, cc. 223, 249

Special payments

17. The City shall make payments to The Corporation of the Municipality of Neebing or its successors as follows:

1. In the year 1970—\$15,000
2. In the year 1971—\$11,250
3. In the year 1972— \$7,500
4. In the year 1973— \$3,750

18. The members of the council of the City elected in the year 1969 shall comprise a committee to do anything necessary for the purposes of organization, policy and planning, and the councils of the municipalities concerned may include in their estimates for the year 1969 such amounts as may be agreed upon for the purposes of the committee in the year 1969. <sup>Organiza-
tion
committee</sup>

19.—(1) The council of the City shall offer to employ every person who was employed on the 1st day of April, 1969, and continues to be employed on the 31st day of December, 1969, by the City of Fort William, the City of Port Arthur, <sup>Offer of
employment</sup>

The Corporation of the Municipality of Shuniah, The Corporation of the Municipality of Neebing or The Gardens Board or The Board of Parks and Recreation of the City of Fort William or The Recreation and Community Centres Board of the City of Port Arthur or by The Public Utilities Commission of the City of Port Arthur who are employed in relation to an undertaking other than the distribution and supply of electrical power and energy.

(2) The Hydro-Electric Commission of The Lakehead shall offer to employ every person who was employed on the 1st day of April, 1969, and continues to be employed on the 31st day of December, 1969, by The Hydro-Electric Commission of the City of Fort William or by the Public Utilities Commission of the City of Port Arthur in relation to the distribution and supply of electrical power and energy. ^{Idem}

(3) The Lakehead Public Library Board shall offer to employ every person who was employed on the 1st day of April, 1969, and continues to be employed on the 31st day of December, 1969, by The Public Library Board of the City of Fort William or of the City of Port Arthur. ^{Idem}

(4) Any person who accepts employment under subsection 1, 2 or 3 shall be guaranteed a salary not less than he was receiving on the 1st day of April, 1969, irrespective of any retroactive salary increases, and such salary shall be guaranteed up to and including the 31st day of December, 1970. <sup>Guarantee
of salary</sup>

Sick leave credits

(5) Any sick leave credits standing on the 31st day of December, 1969, to the credit of any person who accepts employment under subsection 1, 2 or 3 shall be placed to the credit of such employee in the sick leave credit plan established by the new employer.

Holidays

(6) Any person who accepts employment under subsection 1, 2 or 3 shall be entitled to receive during the first year of his employment such holidays with pay equivalent to those to which he would have been entitled if he had remained in the employment of the municipalities or local board mentioned in subsection 1 by which he was formerly employed.

Amalgamation and annexations deemed by order of O.M.B.

20.—(1) For the purposes of every Act,

- (a) the cities of Fort William and Port Arthur shall be deemed to have been amalgamated by order of the Municipal Board; and
- (b) the geographic townships of McIntyre and Neebing shall be deemed to have been annexed to the amalgamated municipality by orders of the Municipal Board,

R.S.O. 1960, cc. 249, 274

and such orders are not subject to section 42 of *The Ontario Municipal Board Act* or to petition or appeal under section 94 or 95 of such Act and shall be deemed to have been made on the day this section comes into force pursuant to applications made under section 14 of *The Municipal Act*, and subject to the provisions of this Act, the Municipal Board, upon the application of the City, The Corporation of the Municipality of Neebing or The Corporation of the Municipality of Shuniah or any local board of any of them or of its own motion, may exercise its powers consequent upon such amalgamation and annexations, and sections 94 and 95 of *The Ontario Municipal Board Act* do not apply to decisions or orders made in the exercise of such powers.

Assets and liabilities of cities

(2) All the assets and liabilities of the City of Fort William and the City of Port Arthur become assets and liabilities of the City on the 1st day of January, 1970, without compensation.

Disputes as to assets and liabilities

(3) In the event of any doubt as to whether any particular asset or liability of The Public Utilities Commission of Port Arthur is vested in the City under this Act, the Municipal Board upon application has power to determine the matter as sole arbitrator, and sections 94 and 95 of *The Ontario Municipal Board Act* do not apply to decisions or orders made in the exercise of such power.

21. The by-laws of the cities of Fort William and Port Arthur and the by-laws of The Corporation of the Municipality of Neebing in so far as they pertain to the geographic township of Neebing and the by-laws of The Corporation of the Municipality of Shuniah in so far as they pertain to the geographic township of McIntyre shall remain in force in the former municipalities or geographic townships, as the case may be, until repealed by the council of the City. ^{By-laws to remain in force}

22. The provisions of any special Act, in so far as they are not inconsistent with any of the provisions of this Act, relating to the City of Fort William, the City of Port Arthur, the geographic township of Neebing or the geographic township of McIntyre apply to the City. ^{Application of special Acts}

23. The provisions of this Act apply notwithstanding the provisions of any general or special Act and, in the event of any conflict between this Act and any general or special Act, this Act prevails. ^{Conflict with other Acts}

24. The Lieutenant Governor in Council, upon the recommendation of the Minister, may authorize all such acts or things not specifically provided for in this Act that are deemed necessary or advisable to carry out effectively the intent and purpose of this Act. ^{Conditional powers}

25. The following Acts and parts of Acts, together with any by-laws passed thereunder, are repealed effective the 1st day of January, 1970: ^{Repeal}

1. Section 18 of *An Act to incorporate the Town of Fort William*. ^{1892, c. 70, s. 18}
2. Section 6 of *An Act respecting the Town of Fort William, 1903*. ^{1903, c. 52, s. 6}
3. Section 11 of *The Port Arthur Act, 1905*. ^{1905, c. 69, s. 11}
4. Sections 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 31 of *An Act to incorporate the City of Fort William and for Other Purposes*. ^{1907, c. 66, ss. 14-27, 31}
5. Section 3 of *An Act respecting the City of Fort William, 1909*. ^{1909, c. 106, s. 3}
6. Section 3 of *An Act respecting the City of Fort William*. ^{1910, c. 114, s. 3}
7. Sections 2, 8 and 9 of *An Act respecting the City of Fort William*. ^{1911, c. 88, ss. 2, 8, 9}

- 1911, c. 104,
ss. 2, 5
- 1912, c. 96,
s. 3
- 1914, c. 88,
s. 7
- 1933, c. 92,
s. 8
- 1939, c. 68
- 1951, c. 100
- 1952, c. 120
- 1956, c. 115
- 1958, c. 135
- 1966, c. 181
- Commence-
ment
- Short title
8. Sections 2 and 5 of *The City of Port Arthur Act, 1911*.
9. Section 3 of *The City of Fort William Act, 1912*.
10. Section 7 of *An Act respecting the City of Port Arthur*.
11. Section 8 of *The City of Port Arthur Act, 1933*.
12. *The Cities of Port Arthur and Fort William Act, 1939*.
13. *The City of Fort William Act, 1951*.
14. Section 1 of *The City of Fort William Act, 1952*.
15. *The City of Port Arthur Act, 1956*.
16. *The City of Fort William Act, 1958*.
17. *The City of Port Arthur Act, 1966*.
- 26.** This Act comes into force on the day it receives Royal Assent.
- 27.** This Act may be cited as *The City of The Lakehead Act, 1968-69*.

APPENDIX II

APPENDIX II : PERSONAL INTERVIEWS

The following is a list of people who gave their consent to be interviewed during the course of this study:

1. Dusty Miller . former alderman and mayor of Thunder Bay; interviewed February 24, 1981.
2. Rita Ubriaco . alderman of Thunder Bay, interviewed February 27, 1981.
3. H.T. Kirk . city clerk of Thunder Bay, interviewed February 27, 1981.
4. Dick Picherak . chief administrative officer of Thunder Bay, interviewed February 27, 1981.
5. Saul Laskin . former mayor of Port Arthur and Thunder Bay, interviewed May 22, 1981.