

parts of our country and various forms of fiscal transfer are made to these same regions to ensure a level of public service by provincial governments which is up to the national average. Our hope is that these policies will lessen the need for young people in the outlying provinces and regions to leave home and head for jobs in Toronto and Montreal.

These are, however, long-term objectives. In the meantime, we must cope with the existing problems of our cities -- the pressures on the central core which have made them less and less hospitable places to live in or visit. When this process sets in, as we know, those who can afford it move out to the suburbs. The transportation system, public and private, is then expanded to accommodate the suburban commuter and roads and exhaust fumes replace parks and expropriated housing. Perversely, the improved transportation encourages further moves to the suburbs and thus more pressure is put on roads and more commuters. Traffic increases, traffic jams, are commonplace, noise levels in the core rise, air-pollution increases, and so more people get out. The tax-base declines, leading to badly-financed schools and inadequate local services for those who remain. Before long, a self-perpetuating slum has been created.

Moreover, this process of urban deterioration is not exclusively a physical one. Rather, when it sets in, it is typically accompanied by a parallel deterioration in individual and group attitudes and behaviour. Although alienation and the questioning of contemporary values is by no stretch of the imagination the exclusive prerogative of the urban poor, the human product of the megalopolis environment is, in fact, frequently the alienated and embittered younger generations, who see little reason to play by the rules of the wider national society in which they live.

In other words, the urban problem is both physical and human, with the physical setting of the city exerting a major influence on those who live in it. This incomplete description of urban decay is, of course, not a new one. Nor has this process taken serious hold in Canada. But we fear it and we are determined to do our best to prevent it.

Municipalities under the Canadian Constitution

But the Federal Government is not free to intervene in the urban process and municipal affairs as fully and directly as some might wish. There is an important constraint upon us. Under the British North America Act, municipal governments are the creatures of the provinces. Municipal institutions are established by provincial law and lack the power to raise tax revenue or to borrow, except in so far as the provinces allow them to do so. Even the power to issue licences is constitutionally under the authority of the provincial governments. One of the hottest interjurisdictional battles in Canada in the last decade was the futile effort of Vancouver's City Council to get a bicycle-licence hike from 50 cents to a dollar past the B.C. Legislature -- a body by no means unique in our North American experience in the gross under-representation of urban citizens.

As I understand it, this places American and Canadian municipalities in similar positions, in that they operate on a most limited tax-base.