
UNIT 4 FEDERALISM, INTERGOVERNMENTAL RELATIONS AND FISCAL FEDERALISM

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4.1 INTRODUCTION

Canada which originally pioneered in founding the first centralised federation combining parliamentary and federal principles of government in 1867 is ironically today among the more decentralised federations in the world. In fact, today the literature on Canadian political system suggests that Canadians perceive themselves, first and foremost as a federal polity. In about two centuries of its existence, federalism has become the leit *motif* of politics in Canada.

The Constitution of Canada sets up two orders of government – federal and provincial, with the federal government consisting of a **bi-cameral** Parliament and a bi-cephalous executive, and the provincial governments consisting of unicameral legislatures and a double-headed executive. The federal Parliament comprises an elected House of Commons and an appointed Senate. The federal executive includes a ceremonial monarchical head of the state and a Prime Minister and his cabinet exercising the real executive power. The provincial executive includes a monarchic Lieutenant Governor appointed by the federal government and a premier elected by the legislative majority.

Like any other federation, the most important features of the Canadian federation are the constitutional distribution of powers between the two orders of government and the mechanisms of intergovernmental relations.

4.2 DISTRIBUTION OF LEGISLATIVE POWERS

The distribution of legislative powers in Canada was made in the British North America Act (BNA) of 1867. This ensures that both the governments have authority to legislate on the subjects mentioned in their exclusive jurisdiction and that they are not dependent on each other as both derive their powers from the constitution which is the supreme law of the land. The enumerated "exclusive powers" are mentioned in Sections 91 to 95 of the Constitution Act of 1867. Most of the powers mentioned in this section are given exclusively to the federal government or the provincial governments. The exclusive legislative powers allotted to the federal government are 29 that are mentioned in Section 91 of the Constitution. These are the powers that are of national importance like foreign affairs, defence, trade and commerce, transport and communication, banking, currency etc.

The exclusive powers assigned to the provincial legislatures are given in Section 92 that lists 16 subjects including natural resources, administration of justice, prisons, municipalities, hospitals, management and sale of public lands, local works etc. In addition, in section 93 education was specially assigned to the provincial governments. Besides, like in some other federations, there is another category of "concurrent powers" that are allotted to both the orders of the government but in case of a conflict between the federal and provincial legislation, the federal legislation prevails. Thus, it becomes a "federal paramountcy". Section 95 of the original BNA Act had designated only two areas of such concurrence: agriculture and immigration. Old age pensions was added a century later by Section 94A as a third subject to this list. However, in case of a conflict, the provincial law would prevail. Thus, in this case the "provincial paramountcy" prevails. Section 92A was also added in 1982 that set in certain areas of non-renewable natural resources under this list with federal paramountcy in case of a conflict.

4.2.1 Residual and Special Powers

The general residual powers or the remainder are allotted to the federal government by Section 91 that says "to make laws for the peace, order and good government of Canada (POGG) in relation to all matters not coming within the classes of subjects by this Act assigned exclusively to the Legislatures of the Provinces". Since the formation of the Federation, the courts have refused to conform to the broad interpretation of POGG power. R.L. Watts points out that the courts have rather restricted themselves to three key areas:

- a) Areas where the matters fall into a 'gap' that has not been covered by allocation of federal/provincial powers, for example, official language matters in relation to Parliament and the federal public service;
- b) an area of national importance and not covered by an enumerated federal power, for instance marine pollution and;
- c) an area that becomes a national emergency and is not covered by an enumerated head of power for example, situations of acute economic inflation etc.

The provinces also enjoy mini-residual powers under Section 92(16) that lays down "generally all matters of merely local or private nature in the provinces". The Constitution has also made provisions for some emergency provisions that are assigned to the federal government to be exercised in times of emergency.

Besides, there are certain provisions that empower the federal Parliament to act unilaterally and override a provincial legislation. For example, Section 90 gives power of reservation and disallowance of provincial legislation and section 91(29), 92(10)(c) empowers the federal **parliament** to bring a local work under federal jurisdiction by declaring it to be "for the general advantage of Canada or for, the advantage of two or more of the provinces". These powers were used often in the **early** decades of the federation but now they have been in disuse. The last instance when any bill was reserved for Governor General's assent was in 1961 and the last instance when any such bill was rejected was in 1943. Therefore, these powers now appear to be dormant. Section 93 also gives power to the federal government to look into the appeals from provincial decision affecting minority education rights and to take action but this too has not been used in reality. Therefore, by convention, they have become inoperative.

4.3 DISTRIBUTION OF TAXING POWER

In the field of taxation, Section 91(b) of the BNA Act gives power to the federal Parliament to raise money "by any mode or system of taxation" whereas under Section 92(2) the provincial governments are restricted to "direct taxation within the province... for provincial purposes". This means that both orders can levy direct taxation which may result in double taxation. Section 92(9) gives the licensing power to the provinces to issue a permit. However, the courts have over the years, recognised similar powers for the Parliament in their area of jurisdiction. Further, Section 109 makes provision for royalties for the provinces for the use of their lands, mines and minerals. The federal government may also levy royalties on natural resources coming under areas of their jurisdiction like Northern Territories.

The BNA Act under Section 92(3) and 91(4) also gives both levels of government independent authority to borrow money. The most controversial area in the Canadian federalism is the federal spending power and the shared cost programmes which are a result of the vast taxation system. It is seen that when the federal government transfers funds to help the provinces to reduce regional disparities or makes equalisation payments, it is not disputed by most provinces but when it is used in areas that fall under provincial jurisdiction, many provinces see it as "intrusion" and also contrary to the spirit of federalism. The premiers have often argued to limit the spending power of the federal government. This can be done to submit federal shared cost programmes in areas of provincial jurisdiction to the consent of the province or to vote in a reformed upper house, with the provinces to opt out of a proposed programme with financial compensation. Since equalisation of payments is an important issue, many provinces have suggested that the principle of equalisation be constitutionally entrenched.

4.3.1 Transfer of Payments and Grants

Since World War-II, there has also evolved a system of transfer of payments from the federal government to provincial governments. Firstly, there are conditional grants given to a few or all provinces subject to agreement on the use to be made of the funds. Most typical of such grants are the "shared-cost" programmes in which the federal government matches provincial expenditures on a percentage basis.

Then, there are unconditional grants given by the federal government to provincial **governments** with "no strings" as to where the money should be spent. One form is

equalisation grant where the money is transferred unconditionally to poorer provinces to offer services at levels comparable to those of richer provinces without imposing heavier tax burden.

4.4 INTERGOVERNMENTAL RELATIONS

The forms and trends of intergovernmental relations in Canada have undergone a reasonably long process of evolution. Canada has had a longer history and has developed a somewhat more evolved pattern. To begin with, the Constitution of Canada was absolutely silent about the need for any formal agency for intergovernmental contacts and policy-making. Yet intergovernmental relations at the administrative level started informally very early after the founding of the federation in Canada. Ministerial meetings and First Ministers' Conferences began early in the 20th century, again informally outside the framework of the constitution. With growing expansion in the role of government and complexities of the economy, administrative, ministerial and the first ministerial conferences grew enormously in frequency and importance. The extensive network of these meetings still continue largely outside the constitutional framework, though the First Ministers' Conference is now mentioned in the 1982 Canada Constitution Act. Wars, economic depression, cultural conflicts, constitutional reforms, growing volume of inter-provincial and international trade, ecological challenges have combined to put inter-governmental relations in Canada in the top gear. This has expanded their importance in the Canadian political system to an extent that they can be said to rival the Parliament and the Cabinet in importance even though the constitutional supremacy of the Parliament is unquestioned, at least legally. In any case, decisions by inter-governmental agencies have no legal validity and sanction unless they are approved by the Parliament and the provincial legislatures.

Thus in Canada, intergovernmental agencies, in substantial terms, have largely operated outside the framework of the constitution at least so far. Although the top level or first ministerial conferences in Canada is important in ultimate power terms, the real details of inter-governmental negotiations and agreements are really worked out in less publicised ministerial and bureaucratic conferences bringing representatives of the two levels of the government together. However, the spadework done by them must finally be approved and announced by the First Ministers. In the final analyses, they need parliamentary and legislative sanction at the federal and regional levels.

4.5 FACTORS AFFECTING CANADIAN FEDERALISM

A fuller understanding of the actual working of the Canadian federalism demands a discussion of various factors - political and social - that affect the system. Within the political system at least two major factors have significantly contributed to the growing federalisation witnessed in Canada. These are party system transformation and judicial interpretation.

So far as the role of the party system in the federalisation process is concerned, Canada gradually moved to an alternating two-party system with the Liberals and Conservatives, with a minor presence of a third party in the Parliament, namely, New Democratic Party. This has been the national pattern, while at the provincial level, a number of regional parties have always existed, some of them being the ruling parties in some provinces. An

early development of this kind of competitive party system in Canada has significantly contributed to the federalisation process in that country.

The 1993 Canadian Parliamentary elections witnessed a major change in the party system. There was a further trend towards multi-partisan configuration with the emergence of two new parties, namely, the Reform Party and the Bloc Quebecois. The Reform party, now called the Canadian Alliance, is a national party but for all practical purposes it is a regional party largely confined to the western provinces. Feeding on the right-wing Christian evangelism, its rise has weakened and fragmented the Progressive Conservative party in the West. Bloc Quebecois is a provincial and separatist Quebec party that emerged in the wake of the declining Liberal party in that province whose ranks deserted the parent party to organise a separatist political force contesting only the federal elections and leaving the provincial electoral field for the pre-existing separatist Party Quebecois.

4.6 PRESSURES FOR DECENTRALISATION

Besides these factors relating to the structure of Government, there are salient socio-economic and cultural issues in the Canadian politics that significantly impact the working of the federal system. The three issues that created a cumulative pressure for greater decentralisation related to Quebec, regionalism in Canada, and the Aboriginals.

4.6.1 The Quebec Separatism

The 1867 Canadian Constitution had recognised Quebec's position not as a province like others in Canada in two ways. First, there was a section guaranteeing the use of French and English languages in the Quebec legislature and in national institutions such as the Parliament and Courts. Second, there was a clause ensuring the preservation of the civil law system in Quebec based on Napoleonic code and a common law system in the rest of the country based on English law and customs. This dualism has greatly influenced the Canadian federalism. For instance, the Supreme Court of Canada Act makes a provision that three of the nine judges of the Court must come from Quebec who are trained in the civil law to hear cases which originate in Quebec. Moreover, there is a convention that the position of the Chief Justice of Canada will alternate between judges from Quebec and from the rest of Canada. Likewise, in the appointment of the Governor-General as well, there is a convention of rotation.

The language issue has been a recurrent bone of contention between Quebec and the rest of Canada. The Official Languages Act enacted by Parliament of Canada in 1969 established English and French as two official languages of Canada, thus making available federal government services in English as well as in French throughout Canada. The Act aims at making the francophones comfortable in the whole country rather than in Quebec alone. Besides, the provinces of Manitoba, Ontario and New Brunswick with significant French-speaking minorities have also enacted language policies for the minorities.

Quebec went through a 'Quiet Revolution' in the 1960s which brought about a political-economic and cultural transformation. A newly emergent class of French-Canadian bourgeoisie and the transformed political class of province committed itself to expand and use the role of the provincial state in promoting the aspirations of the Quebecers. This gave a new dimension of language issue.

The language situation in Canada was exacerbated by the Separatist Parti Quebecois government in 1977 by its enactment of the so-called "Bill 101" or the "Charter of the French Language" which made the province unilingual in French. This was obviously aimed at encouraging separatist sentiments in the province in preparation for the provincial referendum on separating Quebec from Canada.

4.6.2 Regionalism and Decentralisation

The second pressure for decentralisation according to R.L. Watts came from "the increased salience of regionalism throughout Canada exemplified by the impact of a century of 'province-building' efforts by the provincial communities and governments." Besides, differences in ethnic and cultural composition of the population in different regions of Canada, the factors of history, geography and divergent economic relations with different parts of the world have all contributed to persistence and assertion of regional identities in Canada. Western provinces as well as Maritimes have particularly been driven to strong assertions of regionalism in federal provincial relations. For example, survey research over the 1979-85 period conducted by Canada West Foundation suggests that four out of every five Western Canadians perceive that the Canadian political system favours Ontario and Quebec. This alienation as David Elton suggests, has gone to the extent that about one in every twenty Western Canadians advocate separation from Canada and union with the United States. Similarly, many Maritimers believe that they form a pocket of dependent economy in Canada and that it is in the long-term interest of the region to undo this situation.

So far as Western alienation is concerned, it declined to a certain extent when Brian Mulroney (after he won the 1984 General Elections) formalised the Western Accord which dismantled the National Energy Programmes and the Trudeau marketing restrictions on the sale of oil and natural gas. As Jackson and Jackson have commented on the theme of regional alienation: "In the Maritimes, there have always been a fierce pride and independence, but they have been mitigated by the area's need for federal financial assistance. In the West, alienation combines economic discontent and antipathy toward French Canada in particular with a demand for a stronger role for the West in the federation."

4.6.3 Aboriginal Issue

The Aboriginal issue is the third important political issue concerning federalism in Canada because of the rising consciousness of Natives about maintaining their own way of life. They say that they had never given their sovereignty to the European settlers and, therefore, they had an inherent right to self-government. The federal government has constitutional, political, and legal responsibilities to First Nations. It has a government department that looks after Indian Affairs and Northern Development (DIAND). This department must ensure that Status Indians (those recorded in the Indian Act register) living on reserves have access to the same basic services that other Canadians receive from the provincial and municipal governments. In December 1996, there were about 611,000 Status Indians, 331,000 of whom lived on reserves. Aboriginal people's inherent right to self-government is acknowledged and protected by the constitution. The DIAND negotiates and implements self-government agreements with First Nations and provincial and territorial governments. Over 80 negotiations involving about one-half of all First Nations and Inuit communities were under process in 1997-98. In 1991, a Royal Commission on Aboriginal Peoples was established with four Aboriginal and three non-Aboriginal Commissioners. Its task was to

help restore justice to the relationship between Aboriginal and non-Aboriginal people in Canada, and to propose practical solutions to problems. For example, at the time the Commission was set up, Canadian leaders were discussing the place of Aboriginal peoples in the Constitution; there was anguish and upheaval among the First Nations peoples; and disturbing facts about poverty, ill health, family breakdown and suicide in Aboriginal communities were coming to light. In 1996, the Commission, in its final report, presented recommendations on a number of issues from treaties, economic development and health to housing and Metis perspectives. The Royal Commission in its report said, "Canada is a test case for a grand notion — the notion that dissimilar peoples can share lands, resources, power and dreams while respecting and sustaining their differences." The Commissioners' central conclusion, however, was to declare that Canadians need to understand that Aboriginal peoples are political and cultural groups with values and ways of life distinct from those of other Canadians.

4.7 THE PHASES OF EVOLUTION

Federalism in Canada has evolved through a series of stages which it would be worthwhile to sketch in order to understand the contemporary state of affairs in federal-provincial relations. Robert F. Adie and Paul G. Thomas have delineated seven such phases.

Phase I: Quasi-Federalism

The first phase is termed the quasi-federal one which spanned the first twenty years after the establishment of the "confederation" in 1867. The period coincides with the major part of the Prime Ministership of Sir John A. Macdonald.

The quasi-federal nature of federal provincial relations were influenced partly by the provisions of the constitution that assigned the bulk of revenues and granted several overriding powers to the federal government. Moreover, this was also the period of the dominance of one party, the conservatives in Canadian politics. Besides, the Canadians were, as J.R. Mallory puts it, skeptical of excesses of the States' rights and secession that they read into the US Constitution and politics. Furthermore, the early federal cabinets were an assemblage of talents that left provincial politics in some kind of brain drain. In addition, the federal government initially controlled natural resources of Western provinces who for this reason stood in a colonial relationship with Ottawa. Mallory also describes it as one of quasi-federalism while Cody calls it the "Confederation Era (1867-1883)."

Phase II: Power to the Provinces

Adie and Thomas demarcate the second phase between 1896 to 1914 and label it "the power to the provinces" period. This phase witnessed the development of a more genuine federal state in which there was a greater balance of power between the two levels of government. J.A. Corry has described this phase as one of federalism of a classic type in which powers are allocated to two orders of government each enjoying an exclusive jurisdiction with emergent disputes arising on the margins being settled by courts. In the shift towards classic federalism, also called 'dual federalism' by Howard Cody, the judiciary played an important role. During this period, the Judicial Committee of the Privy Council interpreted the Constitution in such a way that it favoured the cause of provincial autonomy. Another factor that led to the development of dual federalism was the emergence of strong and demanding premiers in various provinces who challenged the dominance of the federal

government. The Judicial Committee of the Privy Council (JCPC), according to Donald Swainson, went to the extent of interpreting the BNA Act as an international treaty rather than a founding constitutional document. Powerful premiers like Oliver Mowat of Ontario and Honore Mercier in Quebec fought for provincial rights and succeeded in holding the first ever provincial conference in 1887 where the provinces demanded the renegotiation of the financial arrangements of the confederation. As a result, after forty years of adoption of the BNA Act, the First Ministers⁷ Conference took place in 1906, agreeing to greater financial subsidies for the provinces. The federal government realised that there was no need for strict economic direction and control from Ottawa as Canada was prospering. The use of the power to disallow provincial legislation also declined considerably. The federal government, under the Liberal Prime Ministership of Wilfrid Laurier, also electorally committed itself to ensure provincial autonomy. An era of mutual consultation started. It was in these pre-war years that the federal government introduced grants-in-aid and shared cost programmes in areas like agriculture, technology, education, transportation etc.

Although the British JCAC is commended by some authors for interpreting the Canadian Constitution in a federal way with a pro-provincial slant to meet emergent ground realities, Gareth Stevenson is critical of this extraneous influence on the Canadian political system. He writes:

This peculiar situation, which even the Australians largely had the foresight to avoid, had the effect that for almost a century the most influential concepts of Canadians federalism were mainly defined by outsiders, men who had no practical knowledge of Canada, or of federalism, and who were not even required to live in the society that to a large degree was shaped by their opinions.

Phase III: Emergency Federalism

The World War I brought Canada under a period of "Emergency Federalism" when the Parliament delegated authority to the executive to make regulations for "Peace, Order and Good Government" of Canada. The federal government assumed enormous powers relating to matters of civil rights and property which, in times of peace, belonged to the provinces. The courts also declared that the division of power was a peace time luxury which must be foregone in war time. So during the period of hostility, the pendulum swing back towards a centralised unitary state. During the war, the federal government, for the first time, introduced direct personal and corporate taxes. It also imposed wage and price controls and proscribed strikes in industries important for the war.

Phase IV: Provincial Power

Once the war was over, the courts reverted to their earlier stance, interpreting the Constitution in favour of the provinces. By 1920s, there was an upturn in the provincial powers. From a very **marginal** role, the provincial governments undertook greater responsibility for health, education and welfare. The advent of the automobiles resulted in demands for the construction of provincial highway systems. Provincial governments also moved to tap personal and corporate income taxes. New sources of revenues emerged in automobile licensing, gasoline taxes, resource royalties and liquor excise. **Statutory** subsidies from the federal government which was earlier a major source of provincial income, declined in importance (approximately around ten per cent) in provincial budgets as the provinces moved to mobilise their own sources of revenue.

Phase V: Return to Emergency Federalism

The Great Economic Depression in the 1930s and the Second World War reversed the previous trend and resulted in the centralisation of power in the Federal government. The provincial finances, particularly those of the Prairie and the Maritimes, suffered major setbacks forcing the federal government to step in to rescue them. The depression necessitated joint action by Federal and Provincial governments giving rise to increased consultations and inter-governmental relations. A chaotic tax structure developed with all levels of government scrambling to explore additional sources of revenue. This led to the situation often called "**tax** jungle" with government levying double or even triple taxation. In search for solutions to these problems, the Rowell-Sirois Commission on Dominion Provincial Relations was appointed by the Federal government. This Commission in 1940, recommended centralisation of powers in the federal government. It was generally opposed to collaborative ventures, suggesting that "Where legislative power over a particular subject is divided, it is ordinarily desirable that these powers should be pooled under the control of a single government in order to secure a unified effort in administration."

The report of the **Commission** in any case remained unimplemented partly due to the war conditions and partly due to the opposition of the wealthier provinces to the centralised **fiscal** scheme recommended by it.

Phase VI: Paternalist Federalism

Beginning with the late 1940s and continuing through the 1950s and 60s, the Canadian federal system may be said to have entered into the phase of paternalistic federalism. This ~~was~~ the period during which Canada developed a welfare state under which the federal government assumed a leading role. The dominant economic ideology of the period was Keynesian which prescribed that the national state must guarantee economic growth, employment, and tolerable rate of inflation through management of the economic environment. This policy frame meant a leading role for the Federal State, organisation of national pressure groups, belief in the greater competence of the federal government and continued dominance of the Liberal party in Ottawa. Several provinces also contributed to the greater manoeuvrability of the federal government in the economic field. The fiscal dominance of the federal government during this period may be gauged from the fact that by 1955 Ottawa netted seventy-five per cent of all taxes whereas the provinces and **municipalities** together collected only twenty five per cent of the total revenue. This **dominance** was achieved mainly by two mechanisms: One, a series of five year tax **rental/** **tax** sharing agreements signed with the provinces whereby the federal government acquired power to collect personal and corporate income-tax for both levels of the government. Two, conditional federal grants-in-aid to support certain shared cost programmes launched by the two levels of the government. These developments extended **federal involvement** in areas of provincial jurisdiction. Quebec stood aloof from these federal-provincial ventures but without any alternative schemes of its own.

Phase VII: Cooperative and Double Image Federalism

Since the 1970s, **Canadian** federalism has entered a phase which displays two rather divergent trends. **This** period is marked by the emergence of a somewhat less unequal partnership between ~~the~~ the federal and provincial governments in English Canada and by increasing assertion of separation in Quebec. A number of factors have contributed to the declining importance of Ottawa in federal-provincial relations. The shared federal tutelage

of provinces in the developmental spheres gradually increased the provincial competence and self-confidence. Moreover, the 1967 Royal Commission Report underlined the fact that the post-war national fiscal and monetary policies were in some ways unsuited to the prevailing economic situation. In addition, the incidence of minority government formations in Ottawa from 1962 to 1968 also weakened the leading role of the federal governments.

The developments in Quebec since the 1960s first asserted the determination of the provincial governments there to undertake a determined programme of province-building. The liberal government of Jean Lesage elected in 1960 attempted to use the instrument of the provincial state to develop the economy and society in Quebec so that the French-Canadians did not remain backward. Quebec's success in this regard, in fact encouraged other provinces to initiate similar strategies of province-building. The trends outlined above have generally been referred to by scholars as 'co-operative federalism.'

The phrase double-vision applied to this period refers to the growing trend of Quebec separatism especially after the separatist party Quebecois was voted to power in 1976. Its government held a referendum in Quebec in 1980 seeking a mandate for the government of Quebec to negotiate Quebec's separation from Canada.

4.8 LOCAL SELF GOVERNMENT

Even though federalism is usually construed as basically a two tier system, a third local level of self-government has always been important in Canada as elsewhere. In Canada, in particular, there has indeed been another strand of a third tier of self government, namely, that of the Aboriginals. This last theme is already discussed above, but a discussion of the local political systems is now in order here.

The local government in Canada, is perhaps the most established and directly representative level of governance, but at the same time, it has been overlooked. Its extensiveness can be seen in the large number of local governing bodies.

"There are over 4000 incorporated municipalities in Canada, approximately half of these found in Ontario and Quebec. The specific classifications include cities, towns, villages, rural municipalities (also categorised as townships, parishes, and rural districts), counties (both single-tier and upper tier), and regional and metropolitan municipalities". Besides, there are other numerous local bodies for special purposes that flout categorisation and definite number. For example, in Ontario where these local bodies are most popular, it is assessed that there are around 2000 of these bodies of 70 different kinds.

4.8.1 Structure

The basic machinery of municipal government in Canada is the Council that passes by-laws that have an impact on the local community. The second important component consists of the municipal staff that is organised into a number of functionally specialised departments on the basis of the immensity of the municipality. The third component has usually been a standing committee that acts as a liaison between the councillors and the staff. The chief administrative officer often heads the municipal staff. It is not, however, customary to find the executive committees at the council level. The two latter components first appeared as early as at the start of the 20th century but they became more evident only in the past few decades.

The Municipal Council

In Canada, all municipalities are corporate bodies and, therefore, exercise the powers assigned to them by their respective provincial governments in various pieces of legislation. The general legislation is usually complemented by special Acts enacted at different points of time for large cities.

The Municipal Councils include a mayor in cities and towns and other elected representatives, often called councillors. In the past, the tendency was to have a small council of five to fifteen members but in the last few decades, there has been a trend towards larger councils. An important feature of the council as a governing body is that it blends executive and legislative responsibilities. In its legislative role, it makes by-laws to administer the activities of its inmates locally. In its executive capacity, it activates proposals for municipal action, makes specific decisions and supervises the execution of the policies and programmes of the municipality.

4.8.2 The Municipal Administrative Structure

Besides the Council, the government of the municipality comprises the appointed staff who are concerned with the implementation of the programmes and policies of the council and helps the council to arrive at decisions by providing their expertise. The staff members by virtue of their close contact with the people are seen by the municipality as potential public relations conduits. The senior staff members use their managerial skill by keeping track of the activities of their subordinates.

The number and organisation of the staff varies according to the population of the municipality and the range of its functions. There can be a staff of one, that too a part-timer performing various duties without any precise job description. There can also be a staff of thousands in grouping of twenty-odd **functionally** specialised departments with elaborate job descriptions and a well worked out ranking. The tradition has been to oversee administrative operations through a series of standing committees; however, in recent years, it has been amended or discontinued due to incoherence and lack of coordination.

The Standing Committee System

The Standing Committee is considered beneficial as it expedites the work of the council by looking into the details of an issue and recommends it for the consideration to the council. It also offers opportunities to the councillors to specialise in particular aspects under their respective jurisdictions. The informal mode of a committee provides for greater participation by municipal **officials** and paves the way for better bargain. However, there are some disadvantages of the committee system as well, it may result in delayed decisions and overworked committees.

As far as the role of the standing committees is concerned, they perform both legislative and executive duties. They supervise the operation of a single or a couple of municipal departments and make suggestions to the council. They may work as policy-advisory body in big municipalities without any supervisory responsibility.

The standing committees consist of councillors and at times citizens as members. Their utility depends upon the size of the council, quantum of work and local tradition and administrative set up.

Problems of municipal administration

There were growing problems related to leadership, priority, accountability and coordination. Some of them are:

- 1) Efforts to make councils adhere to long term planning have been obstructed by relatively short terms of office of the councillors and lack of consistency in the council.
- 2) Excepting those few instances where political parties operate in local bodies, most councils are congeries of different interests in the local societies without proper political aggregation, cohesion and collective will.
- 3) There is also lack of accountability within most municipal councils.
- 4) There are also problems relating to administrative structure of the municipality. These are mainly concerning the problems of fragmentation and lack of coordination.
- 5) Functionally specialised units lack wider vision and are inadequately harmonised.

4.8.3 The Reforms

In the last few decades, most municipalities have amended their governing machinery. There have been mainly two types of reforms :

- a) Introduction of an executive committee of the council aimed at providing stronger political leadership and,
- b) establishment of Chief Administrative officer to offer leadership and coordination at staff level.

After having an experience of non-functional character of municipalities and other municipal bodies, the provinces in Canada tried to reform their local self-government and subsequently found the council manager system and the coinmissioners system more convenient and workable in comparison to the old system.

Though the commissioners system does have a great deal of similarity to the manager system, yet in two important respects it is glaringly different from the latter. First, under the latter system, the onus of supervising the entire administrative structure – irrespective of its size and complexity – rests on one person only. But under the former system (commissioners) there is more than one manager who considerably facilitates a certain degree of specialisation. Secondly, in contrast to the manager system, the line of demarcation between policy and administration in the commissioner system is not very prominent. This finds ample reflection in the Mayor becoming a member of the board of commissioners without any reservation. However, this combination too has had to encounter certain problems like dilution of responsibilities etc.

In order to deal with the problems of political leadership, attempts have been made to set up executive committees of the council. This would help in making the executive less political and more efficient at the municipal level. This spurred the starting of loads of control, which is a form of executive committee. These boards of control first appeared in Toronto in 1896 and within a decade spread to Winnipeg (1907) and Montreal (1910). Different types of executive committees were established in different cities or municipalities to match the cabinet organisation and parliamentary system.

To sum up, there is virtually no possibility of the local government in Canada coming to an end, despite their inherent weaknesses. On the contrary, with the introduction of some reforms there is every possibility of the local government system growing in strength in the not too distant future.

4.9 SUMMARY

To conclude, Canada has gradually evolved into a sprawling federal nation of sub-continental proportions in which the strong parliamentary centralism of earlier years has been modified by a more decentralised federal governance. Federalism in Canada has been an evolving process. Within that, there have been phases of either Federal government or provinces becoming more powerful. The dissatisfaction of Western provinces, Quebec nationalism and aboriginal assertion have also influenced the evolution of Canadian federalism and the process of decentralisation. Within this political system, the cities have grown into metropolitan centres of unprecedented importance. In some respects, city governments have become no less important than provincial governments. Yet, Canada is a vast geographical and human landscape with unexplored spaces and that is where the rural and aboriginal self-government retain their own importance. As a society, Canada has outgrown from its early bi-cultural mould into a multi-cultural society. As a parliamentary federal system, Canada has developed into one of the most federalised political system in practice despite its centralised constitution.

4.10 EXERCISES

- 1) In what way are the issues relating to decentralisation affecting the working of the Canadian Federal system?
- 2) Discuss the phases of evolution of Federalism in Canada.
- 3) Discuss briefly the reforms undertaken at the local self government level and their subsequent impact on the Canadian federal system.
- 4) Analyse the nature of distribution of powers between the Federal and Provincial governments in Canada.