

**Provincial Mediation of Federal-Municipal Relations
in Newfoundland and Labrador**

Christopher Dunn
Memorial University
May 10, 2003

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There has of late been much discussion of a New urban agenda supposedly being developed by the federal government.ⁱ Much of the discussion surmises that new federal initiatives will likely be felt in policy areas like transportation, infrastructure, housing and aboriginal services. If this is true, it will be news to the people, politicians and people of Newfoundland and Labrador. There are certain avenues along which the federal government can travel if it wants to influence the municipal agenda in Newfoundland and Labrador, and many of them have been used for some time. The avenues in question are regional economic development, infrastructure development, human resource development and culture. They may not be as flashy- or even the same - as those which apply in the case of provinces with larger urban agglomerations, but they are no less important. However, there are not many on-ramps for the provincial government influence, and in some cases they have been closed down. Provincial mediation is sparse and tentative.

To some extent the way that governments behave is set by history and demographic realities. There is largely no urban, and less and increasing less of a population to worry about, and apparently no agenda worthy of note by federal decision makers. What has happened is a series of disaggregated initiatives with few overarching themes, which may some day gel into a strategy here or elsewhere in Atlantic Canada. But one shouldn't hold one's breath.

History and Demographics

Municipal characteristics. Newfoundland and Labrador is not heavily urbanized. There are only three cities, St. John's Mount Pearl and Corner Brook; there is one metropolitan area surrounding St. John's. The cities of St. John's and the neighbouring Mount Pearl, plus the town of Paradise are home to about 130,000 people, and Corner Brook to around 20,000. There are also 158 towns, 134 communities and over 100 local service districts (LSDs), the latter 2 usually representing groups of communities. In 2001, 57.7% of the population could be classified as urban.ⁱⁱ Town and community councils provide few local services. The provincial Department of Municipal and Provincial Affairs (MPA) leverages infrastructure funding; health, education and policing are provincially Major works are often mainly financed by.

Population loss. Between between 1991 and 2001, the province's population, as counted in the Census, dropped from 568,475 to 512,930 - in other words, by 9.8%. Furthermore the decrease in the province's population since 1996 was the highest in the country. The populations of Nova Scotia, New Brunswick, and Saskatchewan by contrast only declined by about 1% or less between 1996 and 2001.ⁱⁱⁱ The 2003 provincial budget estimated that population decline has cost the province almost \$900 million since 1993-94, including an estimated \$140 million in 2003-04 alone.

Rural depopulation. The Community Accounts, a statistical service of the provincial government, noted that between 1991 and 2001 The decreases in population are more pronounced in rural regions. The Northeast Avalon SSP region has dropped the least by less than 1% while the Eastern, Cormack-Grenfell and Central regions have dropped by approximately 15% each.^{iv}

Dispersed population. The population of the province is highly dispersed, as the accompanying slide demonstrates, and is composed of only a few major urban centers. This makes important the provision of infrastructure and arrangements which are sensitive to the limited ability of most of the 291 incorporated municipalities to pay for such.

Crumbling infrastructure. One has only to travel around the countryside to realize that municipal roads and provincial highways are not in good shape. In 2002, Transportation Minister Percy Barrett said that Newfoundland and Labrador roads will need almost \$1 billion in work over a decade.^v

Lack of a strong tradition of organized local government. Newfoundland received responsible government in 1855, but only incorporated municipality in the province for most of the following century was St. John's (1888), followed by Windsor in 1942, and thereafter by close to 19 municipalities before Confederation in 1949.^{vi} This meant that there was a lack of attention to training of councillors or preparation for infrastructure development. As well, many communities have chosen to remain free from local taxes, building codes and other regulations and forego the benefits of incorporation, such as road repair, garbage collection and street lighting. At present, out of over 800 communities, less than half have any form of local government.^{vii}

Municipal debt. The province does not release consolidated information on municipal finances, but it is common knowledge that the finances of smaller rural municipalities are in desperate financial shape. This is due to a combination of aging population, a historical antipathy to municipal property taxation and an historical lack of financial training for municipal councillors. Some indication of the seriousness of the situation is the fact that a total of \$47 million allocated to the municipal Debt Relief Program program since 1997-1998. The province has provided direct financial support to 58 municipalities to reduce their debt and it was estimated that 50 municipalities would receive assistance under the Debt Relief Program in 2002-2003.^{viii}

Provincial Finance.

A fourth concern is the province's finances. Many see them as unsustainable. The government has run deficits on a cash basis in 52 of the 55 budgets in the province's history. In FY 2003-2004 the government is estimating a cash deficit of \$212.7 million. The current CRF deficit stands at five per cent of total gross expenditures; in 43 of the previous 54 years, it was higher. Prior to 2003-04, the average deficit represented 6.5 per cent of gross expenditure. The current CRF deficit stands at five per cent of total gross expenditures. It is widely felt that a period of retrenchment is likely to follow the next provincial general election.

Regional Economic Development

As actors with an explicit, legislated economic development role since 2000, municipalities have come to be seen as viable partners for senior governments. However, it is useful to make some extensive comments about the regional economic development regime of the province, because it provides the focus for much of the focus of municipalities and of their senior government partners.

One doesn't travel far outside the capital city to find evidence of past and present regional development efforts. Historically, regional development associations (RDAs) were the chosen instrument for economic development. They involved a decentralized, volunteer-driven approach; for various reasons, not the least of which was the fact they were implementation mechanisms instead of planners and developers, they came to be perceived of as sub-optimal instruments.

Regional economic development boards (the REDB mechanism) succeeded RDAs as the main development instrument. Their evolution began with the province's *Strategic Economic Plan : change and challenge* introduced in 1992. Some of its guiding principles were instrumental in setting the direction for regional economic development policy in the province for the next decade. These guiding principles included an emphasis on strategic industries, an emphasis on the private sector led strategy, and an emphasis on industries that were innovative and technologically progressive.

The *Strategic Economic Plan* suggested a system of 17 economic zones. These economic zones were to work in cooperation with government's regional offices throughout Newfoundland and Labrador, which would see to it that the zonal plans were incorporated into the work of government departments and agencies. That was the concept introduced for public discussion in 1992. The *Change and Challenge* report caught the public's attention. Two of the provincial bodies that had been influential pushing for the *Plan* in the first place - the Newfoundland and Labrador Rural Development Council (NLRDC) and the Newfoundland and Labrador Federation of Municipalities (NLFM) - continued to push for its implementation after the report had been tabled. They wanted a more orderly and organized approach to regional development.

The province's reaction was to strike a task force on community economic development, which ultimately resulted in a 1995 report *Community Matters*, the *Report of the Task Force on Community Economic Development*. Its mandate was to take the genesis of the idea established by this strategic plan and establish an institutional framework to allow regional economic development be pursued in the most efficient and effective way possible. The result of this report was establish the regional economic development boards.

Then there proceeded to be an interim state, the transitional board stage. This stage was about translating the process from a government led, province-type one to one which stressed community ownership. Leadership was initially taken by the Economic Recovery Commission. The role of the province and the transitional boards was essentially to establish what relevant stakeholders existed in the regions, to develop ways to get these stakeholders represented on the Board of Directors, to develop bylaws, to establish boundaries, and to select names for the boards.

The next stage was to establish an organizational structure and functions and such for the REDBs, working on a combination of guidance from previous reports and local common sense. The aim here was to assert local ownership of the boards, to establish methods of accountability and to put in place an orderly process of succession. One of the major and most interesting challenges facing the provincial designers, however, was to choose a legal instrument which would protect the boards against abrupt and arbitrary changes. The result was a governing instrument that was remarkably sophisticated and adapted to the situation.

There were three major alternatives considered for the establishment of the REDBs. One was *specific legislation*; another was using the *Cooperative Societies Act*; and the last was employing the *Corporations Act*. The first two options were rejected. *Specific legislation* was rejected for a few reasons. The main reason was that it would have been too time consuming and given the context of regional economic development in the ground fish industry and a rapid rural depopulation, time was of the essence. It was also rejected because of the danger of too much regulatory control being left in the hands of the province. The province realized that it had to resist the natural temptation to design the in this legislation in its own interests, and instead take a cooperative approach to the design.

The *Cooperative Societies Act* was also considered as a possibility. This was rejected for largely the same reasons as the specific legislation was rejected. It would have been lent itself to too much regulation.

So the third option, the *Corporations Act* was turned to as a governing instrument which was most adapted to the needs of the regions and to the major partners. The *Corporations Act* has a number of advantages that are to the benefit of the REDBs. The major benefit of this governing instrument is that government can stop administrative funding of the REDBs but it cannot fire people in the REDBs and it cannot stop the operation of the REDBs. REDBs are, in short, corporations. Another advantage of the *Corporations Act* is that it allows for an evolutionary approach to some of the functions adopted by the REDBs; it provides a general framework, a flexible template.

Here we have characteristics that make the boards interesting to all levels of government, federal included. The legislation allows for incrementalism and adaptability, specifically with regards to planning for implementation. It also allows for the empowerment of local people, according to the specific form of the legislation providing for the project. It allows for specific contracts, contracts in the context of global economic development exercises; those are important of course. And it allows for partnerships to be undertaken with business. What happens with regards to the corporations, to these bodies established under the *Corporations Act*, is that there is a provision in the *Corporations Act* which allows for the establishment of non-profit associations such as development associations and the like and this allows for companies to be registered without share capital, which means that the individuals involved with these have no monetary investments or investments in shares and do not realize profit as individuals. Profits, if any are realized, are ploughed back into the regional development initiatives. This mechanism permits a kind of broad-based joining up of members or citizens of the area. If they take out the signed memberships forms there is a possibility for a greater local membership to become involved. And so it permits a broad based membership for the people who decide to opt in to this approach. As a result,

there has been a sense of ownership by the federal government, the provincial government, the staff involved in the REDBs, by the boards that staff it, by the stake holders at the local level.

The REDBs were finally established in 1996. They are community-based volunteer boards. REDBs consist of representatives of municipalities, business, labour, community development groups, education and training institutions and other interests in the zone. They have five core functions:

- \$ to establish strategic plans in the zones.
- \$ to establish a window for business. Businesses may not be adept in seeking various forms of funding and administrative support from government and funding agencies. If this is the case, they depend on the knowledge of the local REDB staff to smooth the way.
- \$ to provide support to agencies at the sub-zonal level. This essentially means capacity building. It is a major contribution of the REDBs. Sub-zonal agencies which would not ordinarily have significant access to administrative support now do.
- \$ to aid implementation of the initiatives that are undertaken by the zonal boards.
- \$ to establish community life, community education, community empowerment. This is the fifth and final function, and is important. It is important for a simple reason: if community life is not strong, then the politicians will not buy into the notion either. So the community education and community empowerment function of the REDBs is absolutely necessary for the initiative, important as it is, to thrive.

The constraints that are faced by the REDBs are important. The **New Public Management** theory posits that policy and operations should be separated and to some extent, this is reflected in the way the REDBs operate. The zonal board is meant to be a policy center. The operational side is meant to be undertaken by other agencies; regional development associations, or educational institutions, or others. The job of the boards themselves is essentially to become the center decision-making instrument for the region, to be the voice of planning and regional development at the region. The working distinction between policy and operations is designed to preserve the system. The reasoning is that if the REDB became involved in all sorts of implementation activities, chances are that it would become relatively unpopular, step on toes, and be blamed for matters beyond its control. So by helping design in a consensual way what economic policy at a local level should be, or at the regional level should be, and empowering the sub-zonal agencies to implement it, one has a relatively sophisticated design.

The last thing that is involved in the design of the REDBs is the performance contract mechanism. The performance contract mechanism is established to suit the needs of both funders and operators of the regional economic board idea. From performance contracts, the REDBs get a degree of security and stability: that, at least, is the theory behind the performance contracts. It actually hasn't worked out that way, but that is one of the designs of it. From the standpoint of the **B** the performance contracts, which were designed for originally to be 5 years in duration, established these core functions for community

economic development.

The five objectives mentioned earlier - planning, business, support, working to support sub-zonal operations, and promoting community involvement - are operationalized through performance contracts. The performance contracts also have a provision that allows for the annual updating of work plans in renewal. They also have dispute settlement mechanism. Reporting on performance is a joint responsibility of the Department of Industry, Trade and Rural Development, and the boards themselves. They are facilitated by memorandums of understanding (MOUs).

This was the design that was established in the first half of the last decade and there has been about half a decade or more experience with the exercise, and as I say, there had been a lot of activities, a lot of involvement by the now 20, originally 17, but the number climbed, have evolved and have had some major success stories.

As is the case with most reforms in public or quasi-public agencies, there comes a time for reflection and renewal and revisiting the original design. This is what in fact has happened in the province and notably in the same way the introduction of the REDB process was relatively ground based, working from the ground up, the need for a reflection on the progress debate was something that reflected a kind of a ground swell sentiment. The time had come to renew the process, revisit where it had been, establish how it had been working and if it had been working well, to what extent reforms and changes should be introduced. And so, this was reflected in a report in the last year or two, called ***ATaking Stock***.^x This report was a joint effort undertaken by the major federal and provincial funding agencies and by the REDBs themselves and by the stakeholders, who, in a series of meetings and consultations, came to reflect upon the need of an assessment of where they had been in the province and where they were going with the REDB idea. It made recommendations that are currently under consideration by the province and the federal government and by Memorial University.

With regards to planning, one of the things the report observed was that planning as it had been exercised by the REDBs and the province was relatively clumsy. This wasn't because of a lack of dedication to the planning process; there were some enormously complicated and energetic planning exercises by a few of the REDBs. Yet there had to be, in terms of planning mechanisms, a more sophisticated, incremental, and flexible approach to planning. The report noted that many of the REDB plans were becoming outdated because they might have been germane at the time they had been established, but as all plans are want to do, sometimes they became outdated by circumstance and changing objective conditions.

The Report also noted that there had been a failure to integrate the work of the zone boards with the work of government departments and agencies. *Community Matters* had stress the need for the need for effective partnerships to be established between the various levels of government. It suggested the one way to do this would have been to establish high level committees of the two major government partners, ACOA and the Department of Industry, Trade and Rural Development (DITRD). These were to be put into place at both the provincial and regional levels.

It never occurred to the writers of the Report that one level of government would shut the other level out of the loop. This in fact what happened with the ending of the Community Economic Development Agreement (CEDA). ACOA now considers its role to interact as it wants not with the provincial intermediary, but with whom it wishes, including municipalities.

A Short history of recent Regional Development shared cost programs.

Although various federal-provincial shared cost mechanisms have been used over the years to fund zonal activities,¹ the major one has been the Comprehensive Economic Development Agreement (CEDA). CEDA was a five-year shared cost program which ended at the end of March 2003. It provided 70-30 shared cost sharing of core funding for the RED Boards. (A qualification to this, of course, is that the federal and provincial governments also provided assistance in kind by donating the work of their field staff: DITRD's field offices and ACOA Development Officers in St. John's and in field offices around the province.

Yet the future of CEDA-type instruments for development was put in doubt as early as 2001 by Robert Thibeault, the new minister for ACOA. He noted during a familiarization tour of Atlantic Canada projects that he supported the philosophical change at ACOA to move away from tying money to federal/provincial programs in favour of partnering on individual projects, opening the doors for partnerships with the universities or private industry.^x The five year, \$700-million Atlantic Investment Partnership, which belies its name by having no (mandated) provincial partners, was seen as the vehicle which would supercede CEDA. This is what happened, as it turned out. None of the shared cost programs in Atlantic Canada was renewed.

The Government of Newfoundland and Labrador reacted by including mention in the 2003 throne speech of a new model of federal-provincial cooperation - a Canada-Newfoundland and Labrador Economic Development Board. While this would be getting organized, the province called upon Ottawa to extend the Comprehensive Economic Development Agreement by one year through to March 31, 2004. A \$20 million allocation would be cost-shared on the traditional (CEDA) 70-30 basis between the two governments. The provincial budget allocated \$5.5 million of the provincial share. If Ottawa does not cooperate, the province will commit the money to economic development, but sees external and community based economic development organizations, that were supported before under the Comprehensive Economic Development Agreement, being put in danger. For their part, ACOA officials note that the federal government continues to be committed to the zonal boards, and note that the major change is no more joint decision-making in a management board fashion. Future like tourism marketing, the Newfoundland.

¹One is the Canada/Newfoundland Strategic Regional Diversification Agreement (SRDA); another is the Fisheries Restructuring and Adjustment Measures - Economic Development Agreement (FRAM-ED); another is the Canada/Newfoundland Agreement on Economic Renewal (ERA); and finally the Labour Market Development Agreement (LMDA).

What this bodes for the spirit of cooperation and focussed strategy that was the gist of the zonal strategy can only be guessed about at this point.

Infrastructure Development

Infrastructure Canada Program (ICP)

Canada

Although resources for infrastructure development come from various own-source and provincial transfers, federal funds historically have not been an important part of the resource mix. However, the federal commitment to municipal infrastructure has been growing across the country and in this province. The provincial government has been a partner in the process of rebuilding the province.

Nationally, there have been a variety of halting steps by Ottawa in this area. In 2000 the federal government, through its Infrastructure Canada Program (ICP), committed \$2.65 billion over six years for provincial and municipal capital expenditures. The program was twofold: \$0.6 billion went to provincial highways through what was called the Strategic Highway Infrastructure Program and \$2.05 billion was dedicated to municipal infrastructure (water, sewer, transportation, and housing).

Also introduced that year were two complementary federal programs amounting to \$125 million: the Green Municipal Investment Fund and the Green Municipal Enabling Fund; both were to be managed by the Federation of Canadian Municipalities (FCM). The federal budget of December 10, 2001 doubled the amount to \$250 million.

The December 2001 federal budget included an announcement of a Strategic Infrastructure Fund (SIF) which featured an additional \$2 billion (over and above the \$2.05 billion commitment under the Infrastructure Canada program.) SIF was designed to fund large projects, including urban transportation projects and sewage treatment systems, which were (implicitly) too large to be considered under the Infrastructure Canada program.

Newfoundland and Labrador

Provincially, the province has had a longer record of transportation infrastructure funding, due to its special historical circumstances. Some of it tangentially affects municipalities. Term 31 of the Terms of Union between Canada and Newfoundland committed the Canada to take over the Newfoundland

Railway and have it operated by the Canadian National Railway. In the late 1980s the rail service was ended and the federal government substituted federal highway funding to replace rail. The Canada-Newfoundland Transportation Initiative, commonly referred to as the Roads for Rails Agreement, saw approximately \$800 million in federal funding channelled to the province. This was supplemented by another federal-provincial cost-shared agreement, the \$235 Regional Trunk Roads Agreement signed in 1991, which covered feeder roads. Both agreements ended in 2003. An average of \$60 million a year was spent over the life of the Roads for Rails Agreement. Now, the province has to rely on only \$11.5 million over *four* years, its share of the \$600-million Strategic Highway Infrastructure Program.^{xi} In 2002, (as noted before) Transportation Minister Percy Barrett said that Newfoundland and Labrador roads will need almost \$1 billion in work over a decade.

Federal expenditures transferred under the Canada-Newfoundland Infrastructure Program (CNIP), as part of the Infrastructure Canada Program, affect municipalities more directly. CNIP is administered provincially by the Department of Municipal and Provincial Affairs, federally by the Atlantic Canada Opportunities Agency, and cost-shared with municipalities. Expenditures under CNIP are for Water and Sewer, and for the Disinfection Action Program (DAP) which sees to the installation, repair and upgrading of municipal water disinfection systems. The sharing arrangement is a third each for the federal, provincial and municipal governments. Under CNIP, the governments will cost-share \$156 million in such infrastructure over five years; the federal money allocated to the province over the life of the agreement is about \$52 million^{xii}. In 2001-2002, the first year of implementation, \$38.2 was spent on this program, which accounted for over half (52%) of the infrastructure spending of the Municipal and Provincial Affairs Department.

**Department of Municipal and Provincial Affairs
2001B02 Approved Funding**

Project Type	Municipal Capital Works Program		Canada/NL Infrastructure Program		Multi-Year Capital Works Program		Special Assistance		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
DAP W/S	14	749677	105	8,189,764	–	–	209	448210	328	9,387,651
Water/Sewer	44	3,706,110	105	30,024,126	18	16,369,600	283	1,039,434	450	51,139,270
Paving and/or Road Reconstruction	13	4,642,927	–	–	6	1,304,183	17	150117	36	6,097,227
Solid Waste Management	3	269404	–	–	–	–	–	–	3	269404
Recreation	14	4e+06	–	–	–	–	–	–	14	4,357,916
Buildings/Firefighting Equipment	21	1,471,500	–	–	2	61542	100	547756	123	2,080,798
Total	109	15,197,534	210	38,213,890	26	17,735,325	609	2,185,517	954	73,332,266

Source: Government of Newfoundland and Labrador, Department of Municipal and Provincial Affairs, 2001-02 Annual Report, p. 10 Available at www.gov.nl.ca/mpa

The intergovernmental nature of the agreement means that each level will have a role to play in the nature of the projects. However, a major role is played by municipalities; municipalities propose most of the CNIP projects. The federal and provincial governments are allowed to nominate projects, to a maximum of 20 per cent of the total value of all approved projects.

A federal-provincial Management Committee has been struck. It consists of two federal and two provincial members, the two co-chairs being the vice-president of ACOA (headquartered in St. John's) and a senior Municipal and Provincial Affairs official. Its task is to determine which projects will get chosen. Generally speaking much weight is placed on the list of priorities which have been set by the province. A Consultative Committee on Infrastructure provides quarterly input from local government on the implementation of the program.

Canada Strategic Infrastructure Fund

Canada

Nationally, the December 2001 federal budget included an announcement of the Canada Strategic Infrastructure Fund (CSIF) which featured an additional \$2 billion (over and above the \$2.05 billion commitment under the Infrastructure Canada program.) CSIF was designed to fund large-scale infrastructure projects of a scope and capacity beyond existing programs. Urban transportation projects and sewage treatment systems, for example, were (implicitly) too large to be considered under the Infrastructure Canada program.^{xiii}

Unlike existing infrastructure programs, where funding is generally on a per capita formula and costs are generally shared on a tripartite fashion, CSIF aims to recognize the unique needs and capacity of different urban areas. CSIF encourages a variety of municipal-provincial-private partnerships in areas of major national and regional significance and with significant economic growth potential. Accordingly, money has been approved for such diverse projects as the following: \$435 million for improvements to the GO Transit and York Region Transit networks; \$160 million to Manitoba for expansion of the Red River Floodway; a half-billion Dollars for the expansion of the Vancouver Convention Centre; money for the Kicking Horse Canyon 10-mile (Park) Bridge, Charlottetown and Summerside wastewater treatment; and highway improvement projects in Nova Scotia, New Brunswick, Quebec, and Saskatchewan.

In 2003 the Government of Canada committed itself to an additional 10-year engagement in public infrastructure in the Speech from the Throne. However, the Budget Speech of 2003 specified that the additional investment for this ten year period was only \$3 billion nationwide, and that this was to be for both strategic and municipal infrastructure. CSIF was to be allocated two-thirds of the new money.

Newfoundland and Labrador

Provincially, CSIF has resulted in the planned clean-up of the infamous *Abubble* - as it is known to locals - in the St. John's Harbour. However, the story is not so much in the plans for the cleanup, but the inordinate length of time it took for the federal government to become engaged, and the lack of pressure from the provincial government for it to do so.

Millions of litres of untreated sewage flows into St. John's Harbour *each day*. An environmental study noted in 1997 that

Every day 120 million liters of raw sewage and storm water runoff enters the Harbour. This inflow contributes an annual loading to the Harbour of 3,700 tonnes of biochemical oxygen demand (BOD) material, 4,200 tonnes of solids and 200 tonnes of phosphorus. Harbour water is further contaminated with bacterial and pathogens, as indicated by extremely high fecal coliform bacteria counts. The sewage, mainly of domestic origin, includes waste water from industry, commercial operations, and institutions.^{xiv}

It went on to list the obvious harmful health effects. Although it didn't say it directly, the situation had to some extent been caused by all three levels of government in the first place.

The present system of urban trunk and relief sewers, that mostly follow the natural gravity gradients to the Harbour, is based on design work carried out in 1974 and adopted by all three levels of government. It was never intended to have untreated effluent flowing directly into the Harbour, as is presently occurring. It was intended to divert all wastewater to the Southside of the harbour and pump it through a tunnel in the Southside Hills to Gunner's Cover, St. John's Bay. Sewage treatment was then to be added at progressive levels into the future. This plan phase was abruptly halted in the early 1980s when Federal funding was suspended. Since then the unintercepted trunk sewers remained in limbo, pouring increasing amounts of raw sewage into the Harbour as population and development increased.^{xv}

The Sierra Legal Defence Funds National Sewage Report Card in 1999 ranked St. John's Harbour as the dirtiest in Canada. In 2001, writer Colin Nickerson from *The Boston Globe* said that it was an example of *harbor pollution on a scale unseen outside the Third World*.[@] He noted by contrast that *not a single city in the United States deposits untreated waste directly into urban waterways, and most American harbors are dramatically cleaner than in decades past,*[@] and that *government support for large municipalities in the states is a lot more than it is in Canada.*^{@^{xvi}}

The need to clean up the Harbour had been studied since the 1970s, and Capital area municipal decision makers had a clear idea of what had to be done to fix the problem. However, little concrete action had been forthcoming from the provincial or federal governments. The provincial government faced the problem of consistency: almost all harbour communities released raw sewage into the ocean waters surrounding them and might put demands on the province to extend a treatment policy to them.

The federal government was apparently seized of the need for cleaner harbours, but lacked a national process to go about the task.

Two successive federal regimes have mandated time-consuming consultative efforts which have seen over a dozen years pass with no shovel yet in the soil for a central treatment plant. (For a review of the time-line involved in the Harbour Clean-up file, see Appendix 1.) The Conservatives established the Atlantic Coastal Action Program (ACAP) in 1991 to establish Remedial Action plans for eleven coastal areas. Federal officials made it clear that any future federal funding was incumbent upon prior participation in the ACAP process. Accordingly, the St. John's Harbour ACAP was established in 1992 as a non-profit organization of concerned citizens and representatives of three levels of government and engaged in a variety of planning, education and action activities. Their actions which resulted in the *Comprehensive Environmental Management Plan*, a master plan for the harbour environment, and a commitment from three area municipalities to share to share expenses. There next followed lobbying of the province, which committed finances officially in 2000, and of the federal government, which finally decided on the CSIF mechanism as its instrument for large-scale sewage projects like the one in St. John's. The province had been asking the federal government to share in the costs of a clean-up effort since 1997.

By November 2002, the federal government announced its intention to sign a formal agreement on the Harbour Clean-up. All the partners were on board: the federal, provincial and municipal governments (the cities of St. John's and Mount Pearl, and the Town of Paradise) would each commit \$31 Million each to build a centralized treatment facility on the south side of St. John's Harbour, together with infrastructure for sewage collection and disposal of treated effluent. The facility will apparently be a world-class one.^{xvii} The provincial and federal governments have already spent over \$11 Million in preparatory engineering work.

Initially, the federal government felt that the management committee which operates the project should merely be a federal-provincial one. However, the province was amenable to the St. John's involvement (especially since it is paying 87% of the municipal share). Accordingly, the management committee is a tripartite one, with three co-chairs (federal/provincial/St.John's).

However, this is not the end of the story. Because the treatment facility is on federal land and federal money is involved, the City of St. John's is obligated to undertake an Environmental Assessment of the harbour project and to prepare an Environmental Impact Statement as required under the Canadian Environmental Assessment Act. If the Minister of the Environment does not sign off on the project, federal involvement will not go ahead, as is.

Assessment of Infrastructure Policy

Critics have pointed out a number of flaws with both the level of commitment and the criteria in place for infrastructure matters in the province.^{xviii} They are serious.

One is that the level of funding is insufficient both nationally and provincially. Ten years of an additional \$3 Billion in infrastructure funding amounts to an additional \$300 Million per year. If Newfoundland and Labrador were to get roughly its population-based share of the funding, that would amount to merely \$5 Million extra per year for ten years.

Another is that two-thirds of the extra funding allocated for infrastructure - \$2 Billion - is for strategic infrastructure. This proportion reveals that for the state of infrastructure in rural areas of the country is not a priority. Projects costing under \$10 Million do meet the eligibility requirements for CSIF.

Yet another is that there has been no follow-up request from the province to replace the Roads for Rails program. The implicit premise of the Terms of Union in rail matters was that special transportation infrastructure would be an ongoing commitment in light of Newfoundland's unique needs. However, there has been an official silence on this matter.

The Federal Government and the Newfoundland and Labrador Federation of Municipalities

There are a few things to notice about the developing role of the Newfoundland and Labrador Federation of Municipalities (NFLM). One is that it is becoming a way that the federal government can have direct access to municipal officials without being mediated by the provincial government. Another is that the Federation is becoming an active deliverer of federal services, rather than just an interest group. Another is that the Federation's meetings have come to be forums for legitimization of municipal sector/federal government partnership.

***ACOA/NLFM Community Economic Development Workshop Initiative*^{xix}**

Traditionally, Newfoundland Municipal Councils had limited legislative flexibility in shaping community economic development. They had the ability to use land-use policy, manipulate property and business taxes, establish Business Improvement Areas, and to have a Community Plan (although most of the content of these was established by regional planners in the Department of Municipal and Provincial Affairs).^{xx}

This changed with the introduction of a new *Municipalities Act*, effective January 2000, which specifically enabled municipalities to undertake community economic development (CED). They may now purchase facilities or businesses, or invest in a business, for the purposes of economic development. This meant in practical terms that there were 291 incorporated municipalities and a multiplicity of municipal councillors that had to be brought up to speed on their new responsibilities. They had to be able to identify what economic tools they had at their disposal, how to go about investing in a local business, and what best practices were available for consideration.

Into the breach to strengthen municipal capacities came not the province, but the federal authorities. ACOA, established in 1987, was especially interested in establishing close relations with local actors.

One of its identified strategic priorities was in fact community economic development: to help communities take responsibility for their own futures. ACOA therefore reacted favourably when the NLFM approached it with a proposal to prepare municipalities to undertake CED and to use the existing REDB mechanism to fulfill their responsibilities. The possibility to establish close relationships not only with the NLFM but with hundreds of municipal councils, with provincial knowledge but without the need for provincial approval, proved to be an inviting one. Thus was born the ACOA/NLFM Community Economic Development Workshop Initiative. The partners designed it originally as a multi-year, three-phased approach: first, an introduction to CED and to the REDBs and their strategic economic plans; second, the development of practical skills; and third, learning from relevant international best practices. Each phase featured workshops designed and delivered by the Executive of the NLFM and other municipal councillors, with the involvement of invited ACOA representatives. A fourth phase is being planned with the intent of extending the municipal role in regional development. Two thirds of the incorporated municipalities in Newfoundland and Labrador have taken part in the workshops.

The Green Program

Another partnership between the federal government and the NLFM involves the Green Program. As was noted earlier, the Federation of Canadian Municipalities (FCM) manages two municipal infrastructure programs for the federal authorities amounting to a quarter of a million dollars, the Green Municipal Investment Fund and the Green Municipal Enabling Fund. The enabling fund provides money for R&D and various pilot projects which show how to develop municipal services in environmentally friendly ways. The investment fund performs a lending function: lending rates below the Bank of Canada lending rate. These are programs that are free of provincial involvement; there is no provincial role in committees that decide on priority spending in the Green funds. There is no structural link to existing federal-provincial funding.

In Newfoundland, this pattern is also the case. There has been a tentative use of the program, mostly at the behest of the FCM itself. The national Federation had noticed that the province's municipalities had not used the program, and approached the NLFM for its views and help. The answer was simple: the program had been overwhelmingly urban-oriented towards larger municipalities - and the application process was too complicated and time-consuming for towns with just one clerk to run things. The NLFM stepped in as an intermediary and now helps municipalities to expedite of the process. There have been applications from St. John's and Gander for retro-fits of some of their municipal buildings. This arrangement is proceeding over and above the normal infrastructure programs decision-making undertaken in MPA.

One has only to read the minutes of the annual autumn convention and trade show of the NLFM to realize that some interesting dynamics are taking place. One is that annual meetings of the NLFM serve as a forum of the legitimization of the federal role in municipal affairs in the province. Increasingly, the federal government is now praised for its various efforts. This is now the case with ACOA. Its community education effort has paid handsome dividends in good will.

Another is that over the years there has been a subtle change in the image of municipal councils and councillors: they are not any longer just the deliverers of services, but are *bona fide* democratic representatives. Resolutions of the annual meeting are taken seriously: provincial - and increasingly federal - politicians are taken to task for their policies and feel compelled to respond to the Federation for actions that they are taken or are contemplating. To some extent, this role has devolve to them by default. There are few upper level representatives - there are only seven M.P.s and the provincial house was downsized under Wells and there is discussion of a future house being even smaller. However, it is a sign of the increasing legitimacy of local government that any minister, federal or provincial, that is identified as a target in an NLFM resolution, usually responds, and in detail.

Municipalities as federal clients

There are a large number of federal-municipal interactions which go largely unmediated by the province simply because they are (1) small scale (2) have no policy implications of note and (3) amount to a welcome savings of provincial and municipal tax dollars. Municipalities in this context are just one of a number of clients for federal programs. Other clients could include REDBs, Memorial University, private sector businesses, non-profits, or others.

Activities undertaken by the City of St. John's reflect the variety of federal services that municipalities can access. The City is an avid applicant of ACOA. The new St. John's Civic Centre received a \$4 Million contribution from ACOA. It recently received news that it would receive another one to pay for an overpass system serving the Centre.. The St. John's Sports and Entertainment Limited, a wholly-owned subsidiary of the city, and an \$800,000 project, was half paid by ACOA. The City partners with the St. John's Board of Trade for the development of economic development materials and regularly applies to ACOA for funding to offset their cost. An extensive scenic walkway and beautification system organized by a body called The Grand Concourse Authority is largely paid for by benefactors called the Johnson Family Foundation, but there is a partnership which involves ACOA, HRD and the City. ACOA now has an **Urban file** as a result of the profile given to urban issues in the 2003 Federal Throne Speech.

Other federal departments and programs are used by municipalities. The St. John's Economic Development Department has a Canada Business Service Centre funded by Industry Canada situated in its satellite office in the downtown.

St. John's also makes frequent use of the **Program for Export Market Development - Investment** (PEMD-I) operated by **Team Canada** (the Department of Foreign Affairs and International Trade, and Industry Canada. PEMD-I is the federal government's instrument to help Canadian communities attract retain and expand foreign direct investment. Partnership with local level private sector actors is encouraged. The program is cost-shared one, with successful applicants eligible for federal support of up to 50 percent of the cost of eligible activities. The provincial government can be brought in as one of the cost-sharing partners, but this is not necessary. PEMD-I's great advantages for the City are that its criteria are clear, the turn-around time on decisions is short (6-8 weeks, as opposed to an average of 4-

6 months with ACOA). In the past, St. John's has used such funding to develop an investment data base for international site selection conferences.

Another department used is HRDC, for employment subsidies. HRDC tends to be a department which is specially relevant for low-employment areas and municipalities which are not unionized - and don't mind going through the numbing application process which followed as a result of the Stewart/HRDC funding scandal. St. John's doesn't fit this profile. HRDC funding however is an integral and valued aspect of rural municipalities and REDBs.

Occasionally cities benefit from funding that they might not always wish. Such was the case with emergency funding. This was received in various municipalities in the case of the famous 9/11 plane landings in Newfoundland, and the damage wrought in fall of 2001 by Tropical Storm Gabrielle.

Federal Information Infrastructure Initiatives

Another form of federal-municipal interaction that takes place occurs between Industry Canada and selected municipalities, in an initiative known as the Smart Communities Program. Industry Canada launched the Smart Communities Program in 1999 as a three-year program to make Canada a world leader in use of information and communication technologies. The Smart Communities program is part of the Government of Canada's 'Connecting Canadians' initiative, which aims to make Canada the most connected nation in the world. It is administered by Industry Canada, one of the federal 'superministries' created in the early 1990s.

The fashion in which it was administered, however, demonstrated a federal intent to influence the information infrastructure policies of the municipal level of government. There was a national competition which ultimately selected a dozen world-class 'smart communities' - one per province, one northern and one aboriginal community. Five million dollars in program funding was awarded over three years to support each Smart Community. Each community chosen was designated a 'demonstration project' because the intent was that they would share their lessons learned with other communities.

Services provided by SmartLabrador, the project which won in Newfoundland and Labrador, were ambitious. They included telemedicine for all Labrador nursing stations and health centres, enhanced distance education, an online Labrador regional news network, government services online, a virtual museum, the Heritage Mall e-commerce project and computer training to improve citizen access to information technologies. Twenty-two communities were involved, and \$12 Million dollars in leveraged services were involved.

As was the case elsewhere in the province the project partners involved a variety of zone (REDB) boards, municipalities, education institutions, departments and private sector businesses. SmartLabrador was a joint project of the five REDB boards, and the management team is made up of zone representatives and the other partners.

The competition was intense. In Newfoundland alone there were half a dozen communities involved. The experience was a mixed one for the participants. Labradorians were overjoyed, of course. However, the unsuccessful candidates were disconcerted by the amount of work that the whole application process had involved, and many felt that the money involved could have been spread around to more districts. In one notable case, participants in the Clarenville area Discovery Project even decided to proceed as if they *had* won and expended their smart services.

Federal and Provincial Housing Initiatives

One of the areas touted as part of the new federal Urban agenda is housing policy. However, there has not been anything very new in the discussions that province has experienced, nor has there been a marked inclination to involve other municipalities than St. John's.

There are currently certain aspects of housing policy that involve the province. One is the *Canada/Newfoundland and Labrador Social Housing Agreement*; another is the *Provincial Home Repair Program (PHRP)*; a third one, not yet a done deal in this province, is the *Affordable Housing Agreement*.

The Social Housing Agreement was signed in 1998 between the Province and the Federal Government; it is also known as the *Devolution Agreement*. This agreement was part of a nation-wide effort by the federal authorities to disengage from social housing. The provincial government by this agreement took over the social housing component of the Canada Mortgage and Housing Corporation (CMHC) programs and assumed responsibility for properties which were previously run directly by CMHC. There will be a gradual withdrawal of financial contributions by the federal authorities over 30 years, at which time such federal contributions would disappear. In the 2003-04 fiscal year, provincial budget provided for around \$93 million to be spent through the Newfoundland and Labrador Housing Corporation (NLHC) for various social housing initiatives; of this amount, the federal government will contribute \$54.8 million in block funding support.^{xxi}

NLHC also delivers of the *Provincial Home Repair Program (PHRP)*, an \$11.5 million program assisting 2,000 low-income homeowners to maintain their homes, mainly in rural communities. The program is cost-shared with Canada Mortgage and Housing Corporation (CMHC). The program dictates a minimum cost sharing by the province of 25%, but currently the province provides around 55% of the cost.

The province has announced its intent to enter into a cost-shared *Affordable Housing Agreement* with the federal government through CMHC in the 2003-04 fiscal year. In the federal budget of 2002, Ottawa had announced a \$680 million Affordable Housing Initiative; in the 2003 budget, it announced \$320 million in additional funds, bringing the total federal expenditure to \$1 billion by the end of 2007-08. Agreements were signed with every province except New Brunswick, P.E.I. and Newfoundland by 2003. The province foresaw \$4 million being committed in the 2003-04 fiscal year under this new program. It is 50-50 cost-shared. There is no management committee, unlike other

programs; the program is administered by the NLHC according to the provisions of the federal-provincial agreement.

There is no municipal role in social housing, outside of that provided by the City of St. John's. The St. John's Housing Corporation was created in 1944. The city provides some social housing, some in-fill housing (the Riverhead Project, and Jelly-Bean Row, on Forest Road) but there is no analogous role to that played by certain Ontario municipalities.

Conclusion

The province, then, is being edged out of federal-municipal relations. In many cases it does not even get to the mediation stage. This is the case with the various regional development, export development, and project development funding. In some cases the federal government is a reluctant participant with the province - harbours and housing stand out - but even here it can't resist the urge to apply national standards and marginalize the province's role.

Opinions varied on precisely why it is being edged out. Federal relevance, votes, credit, and focus are all touted as possible explanations. Federal authorities are likely to explain the relevance of the federal level to the citizenry. Others note that the ending of locked-in federal provincial money allows the federal government the leeway to direct the money to areas that are more urbanized and vote-rich. The endless jostling between federal and provincial politicians for precedence and recognition at project announcements, in what one interview subject called "the dance of the dollars," is wearing federal patience thin, still others note. Focus is the last explanation. Ottawa tends to see problems and policy in a regional perspective and provinces are more local.

What is to be done? The Purist version

What is to be done with this situation? One school of thought sees a problem with a greater federal role in municipal areas of responsibility. It wants an end to this taxation without representation, and sees clear jurisdictional lines, and expanded municipal taxation power. Jack Mintz gives one version of this thinking:

Thus, Canadians should conclude that municipal fiscal issues are a provincial, not federal, responsibility. Federal intrusion in municipal affairs only worsens political accountability by undermining provincial authority. Moreover, the provinces are in the better position to deal with municipal problems, since the federal government is unable to balance political interests when thousands of municipalities are involved.

Canada should get back to the basics. We should pursue a principle of "taxation with representation" by giving communities the taxing authority that best matches their needs. As for the federal government, it

should stay out of municipal financing problems--they are provincial affairs.^{xxii}

This will not work in Newfoundland and Labrador in the foreseeable future. The province is too dependent on federal transfers, and the municipalities too debt-ridden, to insist on such constitutional and economic purism. Plus the Newfoundland public sees the problem as too few federal dollars, rather than too many.

Provincial mediation lite

Yet there may be a way to enhance provincial mediation in this climate. One idea may be to increase accountability in intergovernmental relations. A Standing Committee on Intergovernmental Affairs of the House of Assembly should be established. It would study general intergovernmental affairs from a provincial perspective, monitor intergovernmental agreements and programs, invite testimony from the public and from officials, offer insights on current intergovernmental issues, and advise the provincial government. This would attend to some structural weaknesses in Canadian federalism, namely the lack of accountability (legislative involvement in federal-provincial relations), and the lack of a mechanism for inviting citizen involvement in federal-provincial matters. It would modernize legislative intergovernmentalism and place it more in line with citizen consultation and identity politics, and thus make it more legitimate. As well, it would place municipal-federal-provincial relations in context with other areas of intergovernmental relations.

Appendix 1

St. John's Harbour Clean-up Chronology

March, 1991	The Federal Minister of Environment announced that \$10,000,000 of Federal Green Plan funding would be used to develop Remedial Action Plans for 11 Atlantic Harbours and Coastal Areas . The Atlantic Coastal Action Program (ACAP) was launched as the vehicle to implement these Action Plans.
September, 1991	Meeting held with City officials to discuss St. John's as an ACAP site.
February, 1992	Public meeting held to discuss establishment of an Atlantic Coastal Action Program for St. John's.
November, 1992	Letter of Intent sent to Environment Canada with proposal on establishment of St. John's Harbour ACAP. The stakeholders viewed the ACAP process and the incorporation of the company as an opportunity to address, over a period of five years, the immediate critical problems facing St. John's coastal waters. A Comprehensive Environmental Management Plan (CEMP) with particular focus on the rehabilitation and protection of St. John's Harbour and its environs was also outlined in the Letter of Intent as the main initiative. The CEMP would propose remedial action plans.
November, 1996	The municipalities of St. John's, Mount Pearl and Paradise sign a proclamation stating that they will allocate their municipalities' share of the required funding for Phase 1 of the Harbour Clean-up.
1997	Funding commenced for the project with the three levels of government contributing \$1.5 million each.
March, 1997	Comprehensive Environmental Management Plan released.
1998	The province and the municipalities contribute \$3 million to the project.
April, 1998	Official Ceremony marking the Commencement of the St. John's Harbour Clean-up project.
1999	The province and the municipalities contribute \$3 million to the project.

October, 1999	Letter written to St. John's Harbour ACAP from the HON. Lloyd Matthews saying that the Provincial Government will continue to support the harbour clean-up.
December, 1999	Proposal for the Primary Treatment Plant submitted to the Provincial Government with a letter signed by the three mayors stating that each council has made a firm commitment to provide their required share of the funding.
2000	In 2000, the three municipalities contributed \$1.7 million to the project.
May, 2000	Minister Lloyd Matthews verbally advised that the Provincial Government will cost share the project with the municipalities.
July, 2000	Letter sent to the Hon. Joan Marie Aylward requesting a formal written response to the Primary Treatment Plant proposals and stating that the Provincial Government will cost share the project.
October, 2000	Letters sent to the Hon. David Anderson, the Hon. Lucienne Robillard and the Hon. Brian Tobin requesting support for the project and signed by the Minister of Municipal and Provincial Affairs and the Mayors from St. John's, Mount Pearl and Paradise. The letters asked that the Federal Government come on side as a one third funding partners.
November, 2000	Press Conference held at the St. John's Waterfront.
January, 2001	Letter received from the HON. Brian Tobin stating that the harbour clean-up is a priority.
February, 2001	<u>Letter received from the Hon. Lucienne Robillard stating that the \$93 million required for a primary treatment plant makes it difficult to accommodate the project within the scope of the Infrastructure Program.</u>
March, 2001	<u>ACOA official states that the Infrastructure Program is not the vehicle to fund the Harbour Clean-up.</u>
	Letter from the HON. David Anderson suggesting that the municipalities pursue funding from the Infrastructure Program.
	Meeting with the Hon. Oliver Langdon, representatives from the municipalities and the St. John's Harbour ACAP. <u>The minister confirmed the Province's commitment and briefly stated that the Infrastructure Program was not place to look for the Harbour Clean-up.</u>

Letter to the Hon. Brian Tobin from Mayor Wells asking for a meeting to discuss the harbour clean-up issue.

- May 8, 2001 Norm Doyle, MP for St. John's East used Private Member's Hour in the House of Commons to raise the St. John's Harbour issue. Mayor Andy Wells attends session and holds Press Conference with Mr. Doyle and Brian Pallister (The Regional Equity Critic for the Canadian Alliance).
- Summer, 2001 Mayor Wells is working with the mayors from Halifax, Saint John and Charlottetown on holding a forum on the sewage treatment issue as it relates to harbour cities and how to best approach the Federal Government to have this issue resolved .
- November, 2001 Saltwater Cities Symposium held in Halifax to discuss options for a National Harbor Clean-up Strategy . A joint submission will be presented to the Federal Government in February, 2002, during the Big City Mayors Conference.
- October, 2002 Press Conference held at the Battery Hotel in St. John's. Premier Rogers Grimes announced that between the provincial government , municipal councils, and now the Federal government, all parts of the funding needed for the sewage treatment plant were committed. Allan Rock has stated in meeting with the Premier that the federal government would be contributing their one third share.
- December, 2002 Press Conference at the Visitor's Center, Signal Hill. Prime Minister Chrétien officially announces the federal government's commitment.

Source: City of St. John's, 2003.

Notes

- i. See, for example, F. Leslie Seidle, *The Federal Role in Canadian Cities: Overview of Issues and Proposed Actions*, Discussion Paper F/27, Family Network, Canadian Policy Research Networks, December 2002.
- ii. *The Canadian Encyclopedia*, 2001.
- iii. Newfoundland and Labrador Community Accounts
<http://www.communityaccounts.ca/SALandscape/section6.asp?section=f1#f1>.
- iv. Newfoundland and Labrador, *From the Ground Up: Benchmarking the vision and values of Our Strategic Social Plan - Phase 2 of the Social Audit*, n.d. (but 2003).
- v. ANfld. and Labrador roads need over \$1 billion - Transport Minister, @ *Canadian Press Newswire*, March 19, 2002
- vi. Newfoundland, Royal Commission on Municipal Government in Newfoundland and Labrador, *Report* (St. John's, 1974), p. 25
- vii. *The Canadian Encyclopedia*, 2001.
- viii. AMinister announces continued support for Debt Relief Program, @ Newfoundland and Labrador Information Service, March 21, 2002.
- ix. *Taking Stock of the Regional Economic Development Process: Background and Overview, Recommendations and Action Plans* (St. John's, Baird Planning Associates, 2001).
- x. Tracy Barron, AGrander Schemes Ahead: new federal minister says current loan program too limiting, @ *The Telegram* (St. John's), July 27, 2001.
- xi. ANfld. and Labrador roads need over \$1 billion, @ March 19, 2002
- xii. Government of Newfoundland and Labrador, Department of Municipal and Provincial Affairs, *2001-02 Annual Report*, p. 10 Available at www.gov.nl.ca/mpa
- xiii. Len S. Brittain, AFinancing capital expenditures, @ *Canadian Tax Journal*, v.50(2) 2002, pp. 552-575.
- xiv. St. John's Harbour ACAP (Atlantic Coastal Action Program Inc.) *Comprehensive Environmental Management Plan* (St. John's, March 1997), p. i.

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- xv. *Comprehensive Environmental Management Plan*, p. i.
- xvi. Quoted in Stephanie Porter, *A Boston Globe* runs front-page article on 'fount of filth,' in *The Express* (St. John's), July 4-10, 2001.
- xvii. *A Prime Minister Chrétien confirms a \$31-million contribution to clean up St. John's Harbour,* Government of Canada (Infrastructure Canada) News Release, November 4, 2002.
- xviii. Most of the following is taken from a news release issued by the provincial opposition critic for Municipal and Provincial Affairs, Paul Shelley. However, it also reflects comments and sentiments which are widespread amongst informed commentators in the province. *A Shelley says Ottawa ignoring Newfoundland and Labrador's crumbling infrastructure,* *PC Newfoundland and Labrador News Release*, February 27, 2003.
- xix. Much of the following depends on material graciously supplied by Shirley Dawe of ACOA's St. John's office, and Craig Pollett, Executive Director of the Newfoundland and Labrador Federation of Municipalities.
- xx. Craig Pollett, *A Role for Municipalities in Regional Economic Development in Newfoundland and Labrador*, Masters of Resource Economics Thesis, Dalhousie University, 1995, pp. 4-5.
- xxi. *A Investment in social housing continues,* Newfoundland and Labrador Information Services, March 27, 2003. NLHC owns and operates approximately 6,000 non-profit social housing units around the province, providing affordable housing for approximately 18,000 people. Low-income families and individuals, including seniors, are provided with housing which otherwise not available in the private market. Monthly rates do not exceed 25 to 30 per cent of monthly income. NLHC as well provides assistance to some 5,100 community-based non-profit housing units throughout the province.
- xxii. Jack Mintz, *A Welcome to the tea party; our cities need help, but direct federal transfers are just a form of taxation without representation,* *Canadian Business*, v.75(7) Ap 15'02 pg 17