

Rough Notes for Address

by

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EMBARGOED UNTIL SPEECH

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TRÈS HONORABLE PAUL MARTIN

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EMBARGO JUSQU'AU DISCOURS

On this the 5th anniversary of the introduction of the gas tax I was asked to open today's conversation by referring back to the origins of the new deal for municipalities of which the gas tax was such an integral part.

For me, the goal of the New Deal was twofold: first, municipal access to new, growing and predictable sources of funding and second a greater municipal voice in the national conversation.

Why did I believe this was important?

Certainly one of the reasons was the credibility of the FCM. It was one of the most professional organizations I dealt with in all my years in government.

Pourquoi le rôle des municipalités est-il devenu une priorité pour moi? Une partie importante de la réponse était certainement la crédibilité de la FCM.

My first encounter with the FCM was when executive of the time came to see me about setting up two Municipal Environmental Funds that it would manage. Now you as municipal councilors receive presentations seeking funding all the time and you know how unrealistic these can be sometimes. Well if you want to know how good they can be – look back 10 years and read those FCM presentations to the Department of Finance.

Not only that but look at the results. After those funds were set up under Ann McLean and her predecessors and successors the FCM carried through with everything it said it would, and I cannot tell you how important that was for me in the debates that followed.

The second reason for the comfort factor was that in the Parliamentary Caucus in Ottawa there were and probably are today a great number of former municipal councilors and that meant not only a large base of municipal expertise in the nation's capital, but one that was very sympathetic to your concerns, one that didn't hesitate to let the Minister of Finance and later on the Prime Minister know of its sympathy. If I were you, I would tap into those former municipal politicians as much as you can.

Pourquoi le Nouveau pacte pour les villes et les collectivités était-il si nécessaire selon moi? C'était parce que les besoins étaient flagrants. J'étais député d'un comté situé dans une grande ville – Montréal, mais en même temps j'avais et j'ai toujours une ferme dans une plus petite municipalité – Lac-Brome en Estrie et je voyais à l'année longue dans les deux cas, les difficultés qu'éprouvaient les élus municipaux.

Why did I feel the New Deal was necessary?

The answer was because it was impossible not to see the need. As a Member of Parliament I represented a riding smack-dab in the middle of Montreal and I needed no convincing that in a big city an efficient transit system was crucial to get an ever increasing population to wherever they had to go on time!

I also lived however and still do on a farm in a small municipality – Brome Lake – in Quebec’s Eastern Townships and knew first hand that if Toronto’s increasing population was putting pressure on its transit system, the converse was that smaller municipal governments in northern New Brunswick and southern Saskatchewan who are losing population were in turn wrestling with the problem of a declining tax base and the threat of losing their hospitals.

Quite simply, the financial case made by the municipalities was and is unassailable. Canadians don’t live in glass boxes, they live in rural communities and big cities.

I only had to go home either To Montreal or Brome Lake to see who was delivering policing, social services or filling in whatever gaps in the care structure needed filling in. It was municipal governments.

The indisputable fact is that it is municipal governments and community agencies who deliver the services that so many of our social programs guarantee. It is they who play the essential role in combating the growing disparity between the haves and have-nots.

This has become even more clear to me when dealing with the issues facing Aboriginal Canadians where I have been spending most of my time since stepping down from government. Let there be no doubt Canada’s municipal leaders – are an important key to a better future for Aboriginal Canadians – the youngest and fastest growing segment of Canada’s population.

Selon moi, le fait que les gouvernements municipaux n’avaient pas accès à certaines taxes liées à la croissance économique, tandis que leurs responsabilités augmentaient en dépit de cette croissance, n’avait aucun sens.

At one time, it may have made sense to expect all municipal services to be paid for through the property tax. After all, municipalities were primarily providing services to property. But today, municipalities provide services to people and in my view– limiting municipalities primarily to revenues from property taxes was and is inadequate, unfair and dumb.

Where I first came to this realization was when I would go to a new manufacturing plant opening in a town. I’d be there, so would a provincial minister and so would the mayor. In classic fashion all three of us would take the credit for bringing the plant to the town, but when the Provincial ministers and I would leave to go back home the multitude of taxes that would flow from the plant would follow us, and the mayor and town council would be left to pay for the access roads and the sewers. It didn’t seem fair.

Quite simply – I felt the fact that municipal governments did not have access to some taxes at least that grew with the economy but had responsibilities that grew regardless of the economy was lousy economics.

It may have made sense 150 years ago, but it made sense 150 years ago as well to have hitching posts downtown too so that people could tie up their horses.

Quite simply, municipal success heralds our success as a nation. And I felt then as I feel now, we had to strengthen your hand.

In any event, it was because of discussions around issues like this that as Minister of Finance I began having pre-budget discussions with the FCM and groups of municipal councilors. I was never sure I had the constitutional mandate to do so but I sure had an economic need to do so.

In short I felt strongly that Canada's municipalities had to be represented at the national table when the federal government was dealing with issues that concerned them as almost every issue did.

And it was for the same reason after becoming Prime Minister I had what I believed was one of the most fulfilling discussions of my time. It was with the big city mayors and it took place at 24 Sussex where I had invited them to a reception. I started talking to a couple of the mayors in the living room and we started getting into detail. So I stopped the conversation and said – "let's get everyone around the dining room table and have at it" and we did. Let me tell you, if government Ministers did that once a year – this country would work a lot better.

The fact is, the need to give municipalities a voice at the national table would exist even if it weren't for financial reasons.

Take a look at the world today. The real competition isn't just between Canada, the USA, the UK and China. It's between Toronto and New York, Montreal and London, Vancouver and Shanghai.

And it isn't just Canada that tourists visit, it's Peggy's Cove, Niagara Falls, Banff, and so many other wonderful places.

With the capacity to move capital with the click of a mouse and the freedom of the world's best and brightest to locate where they choose, global competition is not just between countries – it's between the cities, towns and villages where people live.

Our cities and communities are our global signature. If Canada works it's because our municipalities work.

Le déplacement des forces économiques de l'Europe vers une Asie en pleine expansion crée une énorme ouverture pour le Canada.

Les gouvernements fédéraux et provinciaux devront s'adapter aux changements, mais les municipalités porteront aussi une lourde part du fardeau car elles sont sur la ligne de front de ces changements.

En d'autres mots nos collectivités sont au premier plan de notre perception mondiale et si le Canada fonctionne c'est parce que nos municipalités fonctionnent.

In short, as economic growth shifts from an indebted Europe to a growing Asia, the opportunities for Canada are going to grow – and while the federal and provincial governments have to step up to the mark, much of the responsibility will fall on our municipalities because that's where much of the action will take place.

That's why municipal governments have to play an integral role in the national conversation.

Well, that is how I saw it then, and that's how I see it today. Two significant forces: the needs of Canadian families and a changing world. How do we deal with them?

The answer is that we have to do what governments in Canada have too often been unwilling to do. We have to plan ahead and we have to find better ways of working together. And that's why I wanted the New Deal for our cities and communities, because Canada needs its three orders of government to work in partnership.

Il faut planifier à l'avance et nous devons trouver des façons de mieux travailler ensemble. C'est pourquoi nous avons instauré le Nouveau pacte pour les villes et les collectivités.

For too long, the federal government failed to recognize that cities and communities are where it happens, the places where national policies touch the lives of people, and of families.

From the beginning of our history, pursuing the goals of prosperity and security has required the Canadian government to set out the new national projects that were essential at each stage of our development.

This was true when the West was settled and the railroads were built, it was true when in the post-war years our social foundations were strengthened with the creation of Medicare and the Canada Pension Plan.

I felt 5 years ago as I feel now that the New Deal is a national project for our time. It is a cornerstone of our commitment to govern not only for the Canada of today, but for the Canadians of tomorrow. It is an investment in our collective future.

The gas tax was a tangible beginning, but as John Godfrey said at the time, it cannot be the end.

Thank you.